Austria	Sch. 15	Indonesia	Rp 1600	Philippines	Pes. 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr 35	Japan	Y550	S. Arabia	Rls 6.00
Canada	C$2.50	Jordan	Fils 500	Singapore	S$ 4.10
Denmark	Dkr 7.00	Kuwait	Fils 500	Spain	Pta 85
Egypt	E£1.00	Lebanon	£L 6.00	Sweden	Skr 6.50
Finland	Fmk 5.00	Luxembourg	LFr 35	Switzerland	SwFr 2
France	FFr. 5.00	Malaysia	Rm 4.25	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 130
Greece	Dr 60	Netherlands	Fl 2.75	U.A.E.	Dh 6.50
India	Rup. 15	Norway	Nkr 6.00	U.S.A.	$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,994 Tuesday February 8 1983 D 8523 B

German electronics: the struggle to catch up, Page 14

NEWS SUMMARY

GENERAL

Moscow rethinks Afghan strategy

Soviet and Afghan defence and army leaders are holding a series of meetings in an attempt to find a solution to the Afghanistan problem, while diplomatic negotiations with UN Secretary General Javier Perez de Cuellar continue.

Afghan Defence Minister Abdul Khader and the head of the Afghan army political department, General M Sadeki, have been in Moscow since Saturday.

Western military attaches believe there is a serious morale problem and that desertions have left the Afghan army below 30,000. The Soviet contingent is 105,000. Page 16

Massacre report goes to Begin

Israeli Premier Menahem Begin is expected to call an emergency Cabinet meeting today to consider the findings of the Israeli commission of inquiry into the massacre of Palestinian refugees in Beirut camps.

He received the report last night, and it will be made public today. The future of Defence Minister Ariel Sharon is at stake. Background and Lebanon talks, Page 4

Yesterday, the Israeli Army signed an agreement for a ceasefire between fighting Druze and Christian militia, but artillery fire was reported later.

Walesa defiant

Polish Solidarity leader Lech Walesa is expected to defy an order to appear before a military prosecutor on Thursday.

Lecturer expelled

Poland expelled a U.S. lecturer at Wroclaw Polytechnic for "engaging in hostile anti-Socialist activities." He was alleged to have had links with Solidarity groups.

'End strike' order

Greece has ordered owners of 700 road tankers to settle a 10-day strike by drivers, in the face of icy weather and a fuel shortage in some areas.

Charity for U.S.

Charities, factories and town councils and church groups in West Germany are sending food parcels to the U.S., apparently convinced that unemployed auto workers' families are starving in Detroit.

Satellite riddle

Britain said the nuclear fuel core of the Soviet spy satellite Cosmos 1402 fell into the South Atlantic. The Soviet Union and the U.S. said it burned up on re-entering the Earth's atmosphere.

Paraguay protest

Paraguayan opposition leaders said there were grave irregularities in Sunday's general elections. President Alfredo Stroessner was returned with 90 per cent of the vote.

U.S. reform plea

U.S. Supreme Court Chief Justice Warren Burger called for a drastic reshaping of the federal judicial system, including the creation of a national appeals court to ease the Supreme Court's load. Page 5

Briefly . . .

West Berlin: Untreated icy roads caused 400 accidents at the weekend.

Ecuador floods killed 50 and made 40,000 homeless.

Klaus Barbie, convicted Nazi murderer, is to be moved to another Lyons prison.

Pianist Artur Rubinstein left $500,000 to the city of Jerusalem in his will.

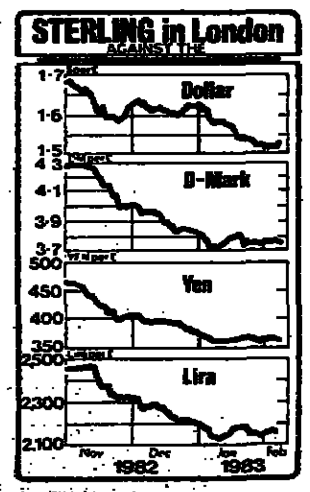
BUSINESS

Turks seek U.S. bank talks

● **TURKEY** has invited U.S. bankers to a meeting to discuss whether it could raise a medium-term balance-of-payments loan, believed to be between $300m and $500m. U.S. banks are among the country's largest creditors. Page 16

● **DOLLAR** was weak in London, closing at DM 2.4525 (DM 2.475), FFr 6.9575 (FFr 7.02), SwFr 2.023 (SwFr 2.035), and Y237.5 (Y240.4). Its Bank of England trade weighting fell from Friday's 121.6 to 121.1. Page 32

● **STERLING** gained 1.3c to $1.5325, eased to DM 3.76 (DM 3.7625) and Y364 (Y365.5), was unchanged at FFr 10.665, and improved to SwFr 3.1025 (SwFr 3.095). Its trade weighting rose from 81 to 81.2. Page 32



● **GOLD** fell $6 in London to $493, $7 in Frankfurt to $491.5, and $7 in Zurich to $498.5. Page 29

● **LONDON:** FT Industrial Ordinary index fell one point to 643.0. Government Securities showed some marginal gains. Page 25. FT Share Information Service, Pages 30, 31

● **WALL STREET:** Dow Jones index closed 9.19 up at 1087.10. Page 25. Full share listings, Pages 26–28

● **TOKYO:** Nikkei Dow index fell 11.98 to 8010.98. Stock Exchange index eased 0.5 to 583. Pages 25, 28

● **HONG KONG:** Hang Seng index fell 4.44 to 891.01. Pages 25, 28

● **AUSTRALIAN** all-shares index was 8.4 down at 503.2. Pages 25, 28

● **FRANKFURT:** Commerzbank index closed one point higher at 760.7. Pages 25, 28

● **VEHICLES:** Sweden exported 65 per cent of its output in 1982 (1981, 65.6). West Germany exported 59 per cent (55.2) and Japan 52 per cent (54). World production fell 3 per cent to 36.3m units. Page 6

● **SHARJAH** is borrowing $190m from a syndicate of Gulf banks for natural gas development.

● **UNCTAD** is considering emergency proposals for channelling $70bn to help developing countries. Page 2

● **KUWAIT** plans to form a trust fund next week to help avoid hundreds of bankruptcies from the stock market post-dated cheque crisis.

● **NIGERIA** has decided to press ahead with plans to build a $1bn mass transit railway system in Lagos.

● **IRAN** has agreed to pay in three instalments its Y13bn ($55m) debt to a Japanese consortium for work on a petrochemical plant at Bandar Khomeini. The Japanese have agreed to resume construction.

● **INDONESIA** opened its first geothermal power station, built with New Zealand aid.

● **SINGAPORE** is to build a $100m petrochemical complex with the Shell group and a Japanese consortium.

Brussels outlines budget reforms for enlarged EEC

BY JOHN WYLES IN BRUSSELS

The European Commission yesterday published a series of suggestions for raising new revenue for the EEC budget and simultaneously reducing Britain's net payments to Brussels.

The extra funds will be needed to meet the costs of enlarging the Community to include Spain and Portugal and to finance new common policies which are seen by the European Parliament as a way of reforming a Community budget, heavily favouring agriculture.

Claiming that the Community was close to exhausting its existing budget revenues, the Commission outlined, in a discussion paper, five possible options for raising more money from member governments.

These range from either increasing or removing the current 1 per cent ceiling on government transfer of value added tax to the Community, to a tax based on agricultural output. The Commission is hoping to find a consensus around two or three of the options.

Sir Geoffrey Howe, British Chancellor of the Exchequer, appeared to find some positive elements for the UK in the paper. He outlined to a press conference in Brussels some "alternative possibilities for solving the UK budget problem which bore more than a passing resemblance to one of the Commission's ideas."

Options for increasing the EEC's budget revenues are:

● Raising or removing the one per cent limit on members' VAT payments;

● Weighting VAT payments so member states with above average per capita GDP pay more and the rest less than at present.

● Revenue "related to agricultural indicators" – possibly a tax calculated so those with the largest share of EEC final agricultural production pay most;

● Revenues linked to specific policies – levies raised from coal and steel for spending on those industries would be the model;

● An equalisation or transfer system, to allocate resources to close the wealth gap between member states.

Arguing the case for changes in the financing system without raising the VAT ceiling, Sir Geoffrey said that one possible cure for the UK would be to adjust member-states VAT payments so that they reflected their gross domestic product.

This suggestion is in the Commission paper as is also the idea for a tax based on gross domestic product which would be adjusted to fall most heavily on the wealthiest member-states – Denmark West Germany, France, and the Benelux countries.

However, the discussion paper suggests that the political support might not be forthcoming for this nor for the progressive application of VAT. The Commission sees far less objection to a tax based on agricultural production, which would draw most heavily on the main beneficiaries of the Common Agricultural Policy and would alter the balance between the 21 per cent the UK pays towards financing the CAP and its 10 per cent share of farm spending.

The British Chancellor's immediate purpose yesterday was to make an appeal to the European Parliament to give the go-ahead in a vote on Thursday to a £500m rebate on

Continued on Page 16

Commissioners fight for political lives, Page 2

BNOC expected to cut price of crude by $3.50

BY RAY DAFTER AND ROGER MATTHEWS IN LONDON

BRITISH National Oil Corporation (BNOC), the main trader of North Sea oil, is expected to lower UK crude oil prices by up to $3.50 a barrel within the next week.

Encouraged by the British Government, the state-owned BNOC intended to delay a price cut until after members of the Organisation of Petroleum Exporting Countries (Opec) had lowered their reference price by an expected $4 a barrel.

It appears that the corporation is finding it increasingly difficult to resist pressures for a price reduction from some of its major customers. Gulf Oil is among several companies thought to have served notice on BNOC that they will reduce their liftings if the North Sea reference price of $33.50 a barrel is continued beyond mid-February.

BNOC, which has tried to avoid leading down world oil price, is now faced with two pricing alternatives according to industry leaders.

The corporation could try to obtain an early industry acceptance of a "modest" price cut, say of $2 to $3 a barrel, on the understanding that it would make a further adjustment once Opec's pricing stance became clear.

There are worries in some sectors of the industry that this leapfrogging approach could lead to a downward spiral in world oil prices.

The alternative approach, thought to be favoured by a number of BNOC's leading customers, would be a price reduction based on current market conditions and the likelihodd of a $4-a-barrel Opec price cut.

This second option would lead to a North Sea contract price of about $30 a barrel, between 60 and 90 cents above the current spot market rates. Opec's reference price – charged on Arabian Light crude – would also fall to $30 a barrel, slightly above the current spot market rate.

In normal trading conditions, high grade North Sea oil – close to major markets – would attract a premium above the price for inferior quality Arabian Light oil. But traders argue that such a premium cannot be so easily justified given the excess of refinery capacity and the low shipping rates.

BNOC said yesterday that no pricing decision had yet been taken although it was continuing to hold discussions with its customers and suppliers.

Further evidence of a likely cut in

Continued on Page 16

Shell price warning, Page 9; Lex, Page 16

UK go-ahead for plan to boost communications competition

BY GUY DE JONQUIERES IN LONDON

THE UK Government said yesterday that it accepted most of the proposals in an independent report designed to increase competition in telecommunications by further curtailing British Telecom's (BT) state monopoly before shares are sold to private investors.

Mr Kenneth Baker, Minister for Information Technology at the Industry Department, told the House of Commons that the Government also accepted a recommendation that BT be required to keep many of its tarif increases below the rate of inflation for five years after privatisation.

The plan is designed to avoid cumbersome regulation on the U.S. pattern and is intended to protect residential and small business subscribers from monopoly abuse by BT.

BT said that it would not oppose a mixture of price restraint and competition, though it stopped short of endorsing the report's recommendations. It also warned that increased competition would make it hard to guarantee that it could keep increases in its charges below the inflation rate and accused the Government of acting too hastily.

It also criticised the Government's plans to allow more competition in international services and resale of its domestic circuits. Rash action could damage the interests of BT, its customers and the country as a whole.

Mr Baker also announced plans for "access fees" to be paid by independent telecommunications operators such as Mercury, a joint venture between Cable and Wireless, British Petroleum and Barclays Merchant Bank, for the right to inter-connect with BT's network.

The fees would help cover the cost of emergency services, call boxes and other loss-making services provided by BT, particularly in remote and rural areas.

The independent report was written by Professor Stephen Littlechild, professor of commerce at Birmingham University and a consultant on telecommunications to several companies and government organisations. His report was commissioned by the Government at the end of October and delivered late last month.

The Government plans to sell 51 per cent of BT to private investors. A Bill to authorise the sale and to create a new regulatory framework is before Parliament and is expected to become law this summer. But the share flotation would not take place until after the next election.

The Government asked Professor Littlechild to advise on a regulatory policy which would prevent BT from abusing its dominant position and encourage efficient telecommunications, while ensuring that proceeds from the planned share sale were maximised.

Details, Page 9; Editorial comment, Page 14; Lex, Page 16

Turbulent day for S.African markets

By J. D. F. Jones and Bernard Simon in Johannesburg

SOUTH AFRICA'S financial markets suffered a turbulent day yesterday after the surprise announcement at the weekend of the abolition of the financial rand and of the country's dual exchange rate.

As had been widely forecast, the rand fell by over 5 per cent, and share prices dropped by around 10 per cent, but there was no panic. A senior Reserve Bank official commented at the close: "The markets have absorbed the change in a very orderly way."

● The newly-integrated rand finished the day at R1.1325 against the dollar, compared with the closing price of the commercial rand last Friday of R1.0764. The financial rand ended its life last Friday at R1.2987.

The Standard Bank observed that this level reflected the likely once-and-for-all capital outflow and forecast that, assuming the gold price held in its present band of $480 to $500 per ounce, the rand should sustain this level and soon follow an upward trend.

Mr Owen Horwood, the finance minister, said last night that $80m had moved into the country yesterday.

● On the Johannesburg Stock Exchange, share prices recouped some of their earlier falls by mid-afternoon, but at the close were nervous ahead of the opening of U.S. markets.

The fall reflected the adjustment to the lower dividend yields that will now apply after the ending of the financial rand discount. De Beers was one of the bigger losers, closing at R8.50 from R9.65.

● Domestic interest rates rose, as expected, by ½–¾ of a percentage point. The three-months bankers' acceptances rate rose from 11.6 per cent to 12.1 per cent.

● The Reserve Bank substantially narrowed forward-dollar premiums, thus making available cheaper forward cover for traders. The three-month rate came down from about 5 per cent to 3.9 per cent and then came back to 11.9 per cent.

The Reserve Bank's monthly statement of total gold and foreign assets, released yesterday, illustrated the dramatic increase in the country's reserves in January

Editorial comment, Page 14; Lex, Page 16; Stock markets, Page 25; Money markets, Page 32

Yugoslav debt rescue deal hits snags

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE MULTI-BILLION dollar debt rescue package being mounted by the West for Yugoslavia has hit snags on several fronts which may take months to overcome, senior central bankers said in Basle yesterday.

The snags affect virtually every aspect of the complex package elaborated last month in a series of talks between Yugoslavia, the International Monetary Fund (IMF) and Western governments.

Under the package, Western governments are scheduled to lend Yugoslavia $1.3bn this year, the IMF $650m and the World Bank $250m.

Commercial banks, for their part, have been asked to lend up to $1bn in new money, to refinance $1bn maturing debt, and to renew short-term credit lines. An immediate injection of $500m in cash was supposed to come from the Bank for International Settlements (BIS) in Basle.

Central bankers meeting at the BIS yesterday said this last element has been delayed because of Belgrade's unwillingness to pledge its gold reserves against $200m of the credit. The other $300m, from central banks, is intended to be a pure bridging loan secured against drawings of the IMF.

A BIS spokesman agreed that the bank still faced technical problems over the proposed loan for Yugoslavia, but said it hoped to settle these before its next monthly meeting in March.

Meanwhile, negotiations between Yugoslavia and Western governments have foundered on the question of how far the $1.3bn in government loans will take the form of pure cash credits. Yugoslavia badly needs cash to service its $19bn foreign debt, but so far only minimal amounts of cash have been promised by the UK, Switzerland and Austria. Other governments have indicated a preference for making their contributions in the form of export credits, but these are of less use to Yugoslavia as it is reducing its imports.

As a result the International Monetary Fund is understood to have postponed its approval of a $650m drawing by Yugoslavia on the basis that there is no point in going ahead with one part of the package if the other elements are not ready.

Commercial banks, for their part, face difficulties on two fronts. First, it has proved very difficult to obtain reliable statistics from Yugoslavia to the extent of its indebtedness to individual commercial banks. Second, Yugoslavia is balking at the insistence of many commercial bank creditors that its central bank guarantee any new loans and the debt or be rescheduled.

International capital markets, Page 24

Commission freezes French Timex grants

BY GILES MERRITT IN BRUSSELS

PLANS by Timex of the U.S. to cease mechanical watch manufacture in Scotland and instead increase production of quality watches in France have received a setback after a decision by the EEC to examine France's use of financial incentives to win the deal.

The special European Commission investigation will have the immediate effect of freezing the financial aids of FFr 550m promised by French authorities to Timex. Should the EEC examination find that France contravened the Rome Treaty's rules on the use of state aid, Timex may be forced to review its decision.

At issue are both the legality of the French grants which prompted Timex to shift watch production from Dundee, Scotland to Besancon, France and the sensitive issue of the implementation of regional development policy in the Community.

The Brussels Commission's move to study the Timex case was based on EEC officials' concern that the aids may be a distortion of fair competition, underlined by France's apparent failure to notify the proposed Timex aids.

But the Commission's concern has been bolstered by a formal letter from the British Government setting out the UK's complaints.

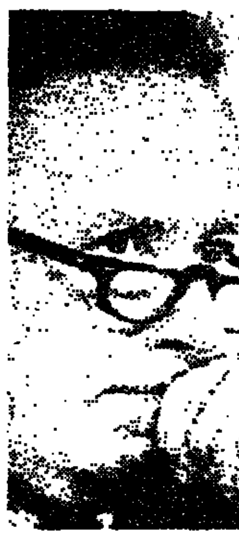
Mrs Margaret Thatcher, the British Prime Minister, is understood to haye backed the EEC complaint af-

Continued on Page 16

CONTENTS

Anxious European Commissioners fight for their political lives

BY JOHN WYLES IN BRUSSELS



Thorn (above): anxiety
Dankert (below): dangers

GASTON THORN usually approaches speechmaking with the relish that most people reserve for a meal in a top-class restaurant. This morning, however, he may feel a marked lack of appetite when he rises to his feet in the European Parliament because he is now in a fight for his political life as President of the European Commission.

During the past three weeks M Thorn and his 13 Commissioner colleagues have been in a state of anxiety bordering on panic as they have tried to assemble today's speech on the Community out of its internal political priorities.

What they need is a blockbuster designed to convince MEPs that the Commission has the strategy, the policies and the political will to lead the Community out of its internal difficulties.

What they fear they have produced is a rehash of old ideas and speeches which will unleash forces capable of mobilising a parliamentary vote to dismiss the Commission later in the year.

No one knows how member-governments would react to what would be the first use of the Parliament's powers of dismissal. Most Commissioners, however, fear that they will be peculiarly tainted with political ignominy. Even if all the Commissioners were reappointed by their national governments, it would be impossible for M Thorn to carry on as President and too embarrassing for some others to return to Brussels.

In many parts of the Commission, there is a cynical conviction that a dismissal vote is inevitable, whatever M Thorn says today. A growing number of the 434 MEPs are becoming seized by a hunger for some political achievement with which to justify their claim for a renewed mandate at direct elections in June next year.

Ironically, the British budget problem has provided them with the opportunity. The Parliament will now probably endorse a supplementary budget passing back to the UK some £500m of its payments to Brussels last year. The Parliament has won from member governments a vague commitment to seek a long term solution to the British problem through the development of EEC policies.

MEPs will be looking to M Thorn today to chart the rocky course towards this desired objective. But their leaders do not expect M Thorn to come up with anything more convincing than the Commission's so-called mandate document of June 1981. This was supposed to provide the framework for a permanent solution for the UK based on genuine curbs on the growth of farm spending and the development of existing and new policies.

Parliament's withering view of what actually happened was summed up by its President, Mr Pieter Dankert, in an important speech in London two weeks ago.

"Charged with the difficult task of producing policy proposals to avoid repayments to the UK. . . . The Commission produced a series of generous generalities and one concrete proposal—the continuation of the current British budget contribution arrangement for an unspecified period."

This is not the most scrupulous account of the Commission's proposals, but its tone reflects Parliament's frustration at its lack of control over the EEC's real centre of power—the Council of Ministers—with its determination to attack the Commission and, if possible to change it.

Mr Dankert, however, has anxieties about the wisdom of sending the 14 Commissioners packing. A vote of dismissal, he said in London, was "a dangerous weapon and one which is perhaps more dangerous to the Parliament and the Community than to its intended victims—the members of the European Commission."

If M Thorn still has a reputation to make as far as the Parliament is concerned, then Mr Dankert still has to justify the hopes which his election as President aroused a year ago.

Mr Dankert sees dangers in the exercise of the Parliament's purely negative powers of dismissal and so this week he will be trying to persuade his colleagues to table a vote of confidence in the Commission after M Thorn's speech. If this fails to secure a majority, M Thorn would be asked to come back with more convincing proposals.

Mr Dankert argues that the Community need a Commission true to the ideals of the early days of the EEC, when he claims "the Commission saw itself and was seen as a political authority, executive body and initiator of policy."

But nationa- governments have come to cast the Commission in a much lesser role and Mr Dankert implied in London that dismissing it now would be like kicking a lame dog.

"Censure of the Commission at the present time would mean censure of a body which is no longer a political authority (that role was usurped by the Council) and which has great difficulty in proposing policy.

This is not only because most policy proposals end up in the Council's drawers, but also because the Commission's political responsibilities are increasingly being eroded by national and other pressures on individual Commissioners.

There is much in this analysis which Commissioners would privately accept. The Thorn Commission has in many respects been worse than its predecessors in reflecting the divergent national interests of member governments.

But part of its weakness lies in the fact that it is the creation of national governments who have not wanted a strong, effective and determined political leadership in Brussels and have selected their Commissioners accordingly.

Lacking any guiding consensus among member governments on what the Community needs to do or to be—apart from uniting against external political and commercial threats—this Commission has understandably lacked conviction.

Its record has been highly creditable in grouping the Ten around effective responses to disputes with the U.S. and Japan. But its recipe for internal development has been seen by the Parliament and some member governments as dull, unimaginative, unco-ordinated and lacking in priorities.

SUMMARY OF the European Commission's Green Paper on financing the EEC budget:

The EEC this year will spend around £13.2bn—some £1.2bn less than all its revenues. The Community is "already living in the shadow of the exhaustion of its current financial resources" and must consider boosting revenues to finance new policies and to accommodate Spain and Portugal as members.

Just over half this year's revenues will be drawn from member states under the 1 per cent VAT formula. The remainder comes from customs duties and agricultural levies on imports and tend to be relatively constant after adjusting for inflation.

The Commission makes clear that it will be proposing in the spring to raise the 1 per cent VAT limit at the same time as it chooses from the additional measures set out below, bringing greater variety and possibly fairness into the way the EEC finances its activities.

FINANCING OPTIONS:

1—An increase in the VAT limit. This system will remain "the backbone of the Community's financial autonomy." A fuller range of spending policies will require extra VAT revenues "together with a more diversified system of Community financing."

2—Progressivity. This would be intended to relate each state's contribution to the EEC budget more directly to its prosperity as measured by per capita GDP. Wealthier countries would pay more, the less prosperous would be relieved of some of the burden, either making the VAT system progressive or by taxing member states according to their GDP.

A GDP tax might be seen as a political step backwards, says the Commission, because this is how the EEC financed itself before the 1970 VAT decision. Any system of progressive payments would have to more extensive than "seems realistic" if it was to have any impact on budget problems.

3—Revenue "related to agricultural indicators." This should be seen as a transitional budget feature to tide over the EEC until the balance of spending is tilted less towards farming (currently 65 per cent of the budget). Who pays what could be variously calculated according to countries' shares of overall agricultural production.

4—Revenues linked to specific policies. The European Coal and Steel Community could be the model for this, whereby specific sectoral policies are financed partly by governments and partly by the sectors themselves.

5—Financial equalisation or transfer system. This would aim specifically to transfer resources to less rich states to narrow the wealth gap and help offset the budget imbalance suffered by the UK.

Any increase in the EEC's own resources would have to be ratified by the ten national parliaments, and the Commission's paper reminds governments of its 10-year-old proposal to pass this power to the European Parliament.

The Commission has ruled out as possible sources of revenue: EEC excise duties; corporation taxes; income tax or energy tax.

Five-year forecast still gloomy for UK economy

BY ROBIN PAULEY

BRITAIN five years from now will still be in a weaker economic position than her main EEC trading partners, according to a five-year forecast of European inflation and output prospects.

The Henley Centre for Forecasting, one of the UK's leading independent economic forecasters, estimates that Britain's average inflation rate between 1984 and 1988 is likely to be about 10.5 per cent, compared to 4.3 per cent in West Germany, 9.5 per cent in France, 3.9 per cent in the Netherlands and 8.2 per cent in Belgium.

The estimate for Britain is a significant jump from the centre's 1983 forecast of 6.2 per cent. The figures for the other countries are more stable:—3.9 per cent in West Germany; 9.3 per cent in France; 3.2 per cent in the Netherlands and 8.2 per cent in Belgium.

EEC states with double figure inflation in 1983 are all forecast to have lower rates during 1984-88. Greece's is reckoned to fall from 18.5 per cent to 15.5 per cent, Ireland's from 13.8 per cent to 11 per cent and Italy's from 14.2 per cent to 12.9 per cent.

Britain is the only country not forecast to show any improvement in annual rate of growth of gross domestic product between 1983 and 1984-88. The prediction is a static 1.6 per cent.

The largest growth prediction is for Greece, up from 1 per cent in 1983 to 3.3 per cent in 1984-88 with Denmark up from 0.4 per cent to 2.4 per cent and Italy up from 0.8 per cent to 2.3 per cent.

The forecast says that, by last December, 12m people were unemployed in the Community, representing more than 10 per cent of the workforce. This was about 1.7m people more than a year earlier.

Real GDP was virtually unchanged in 1982 from the average level of 1981 and the expected recovery during 1983 is expected to remain sluggish until the end of the year when falling oil prices and a depreciating U.S. dollar should have provided some momentum. GDP growth is forecast to peak in 1984-85.

Unctad airs $70bn plan to help developing nations

BY BRIJ KHINDARIA IN GENEVA

EMERGENCY PROPOSALS for channelling $70bn over the next two years to the developing countries in an attempt to reverse the downward momentum of their economies have been put forward by the United Nations Conference on Trade and Development (Unctad).

The Unctad secretariat yesterday published a policy paper with recommendations for enlarging the financing at the disposal of developing countries as part of the preparation for its 154-nation conference in Belgrade next June.

At the same time, the secretariat urges a greater Third World effort to increase investment and save foreign exchange, while developed countries should place greater emphasis on lowering unemployment, interest rates and protective barriers.

The current account deficits of developing countries as a group have swelled to $70bn in 1981 from $30bn in 1978, the secretariat points out. Indebtedness has forced developing countries to reduce imports.

Under the Unctad emergency proposals:

● The International Monetary Fund would be allowed to double its resources and allocate at least SDR 30bn ($40bn) for lending in the next two years.

● The conditions imposed by the IMF for loans would place more emphasis on expanding production rather than on reduced government spending.

The IMF Interim Committee this week is discussing proposals to raise SDR allocations by about SDR 30bn and to increase quotas by about 50 per cent.

Unctad also suggests that the IMF should sell more gold reserves to replenish its Trust Fund for the poorest countries, while aid from governments of industrialised countries should be increased to reach more quickly the target of 0.7 per cent of gross national product.

With the consistent aim of increasing the liquidity of the developing countries, Unctad proposes that the World Bank should spend the $60bn at its disposal in four years instead of five and that Western governments should encourage their banks to enter more rescheduling agreements and make new loans.

Payment on officially guaranteed debts falling due in coming months should be postponed, Unctad says.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

EEC moves to lift company investment

BY JOHN WYLES IN BRUSSELS

EEC GOVERNMENTS yesterday added a new endowment of around £1.8bn (3bn Ecus) to the Community loan scheme to boost industrial investment, particularly by small and medium-sized companies.

The agreement marks a major concession by West Germany, now occupying the presidency of the EEC's Council Of Ministers. The Commission's proposal to allocate another 3bn Ecus to the so-called New Community Instrument has been blocked for nearly a year by Bonn, which professed doubts about the need for such a measure.

Loans worth around £1.1bn have been allocated from the NCI in the past three years with the largest proportion going to investments in Ireland and Italy. However, the UK has started to exploit the facility recently

The funds will be allocated in tranches on a proposal from the Commission which can be adopted by majority vote in the Council – a significant victory for the opponents of the unanimity principle.

According to Herr Gerhard Stoltenberg, the West German Finance Minister, investments which would qualify for Community loans would be in the fields of energy and general infrastructure and the "financing of investment by small and medium-sized businesses in industry and other productive sectors. Community economic and finance ministers also agreed yesterday on the statement Herr Stoltenberg will deliver on behalf of the EEC at Thursday's meeting in Washington of the IMF Interim Committee.

This will stress that the Ten favour an increase of "at least" 50 per cent in IMF quotas to around $90bn. Most Community countries favour a higher increase but are aware of the difficulty of moving the U.S. away from its insistence on only 40 per cent increase.

Herr Stoltenberg will stress the need to bring forward the implementation date of the quota increase so that the new quotas become effective by the end of this year.

Davignon attack on attitude to research

GILES MERRITT IN BRUSSELS

A BITTER attack on EEC member governments' negative approach to EEC research and development projects was made in Brussels yesterday by Viscount Etienne Davignon, the EEC Industry Commissioner, on the eve of a key EEC Research Ministers' Council meeting.

The immediate cause of M Davignon's angry remarks is today's ministerial examination of the ill-fated "Super Sara" project, which member governments approved in 1981 as a Community programme for stimulating and averting nuclear accidents such as that at Three Mile Island in the U.S.

Concern that Super Sara's original budget of 54m European Currency Units (ECUs) has risen uncontrollably to 174m ECU has contributed to mounting opposition to the nuclear safety programme.

But the European Commission has strongly contested the view of EEC governments ranged behind West Germany and Britain that the project should be scrapped or downgraded, and is also charging that the EEC Council of Ministers' indecision has done much to damage Super Sara.

The Commission's chief ally in the fight to save Super Sara has been the Italian Government, which fears that abandonment of the project could threaten the long-term future of the Joint Research Centre at Ispra, in northern Italy.

M Davignon's intervention in the Super Sara saga was not so much aimed at saving the apparently doomed project, but of raising the complex and unwelcome political issue of the autonomy that should be granted by EEC governments to major research drives in the future.

As EEC Commissioner responsible for research, M Davignon is clearly concerned about the ambitious 1984–87 seven point R&D programme now being put forward by Brussels for adoption by the council by mid-1983. This envisages minimum spending of 3.7bn ECU that would boost R&D's share of the EEC budget from the present 2.6 per cent to some 4 per cent.

Swiss exports decline

BY JOHN WICKS IN ZURICH

ALL MAJOR sectors of Swiss manufacturing industry experienced a decline in export volumes in real terms last year. Although nominal export value remained almost at the 1981 level, falling by only 0.3 per cent to SwFr 52.66bn ($25.94bn) there was a price-adjusted drop in foreign merchandise sales of 3.8 per cent.

For individual industries, the real-terms fall over the previous year amounted to 6.1 per cent for the metals and machine-building sector, 4.2 per cent for the chemicals industry, 2.3 per cent for food, drink and tobacco products and 1.8 per cent for textiles

The biggest single price-adjusted decrease was one of 22.3 per cent for the watch industry's exports, where nominal value dropped by 10.4 per cent despite a 15.4 per cent rise in average value.

Mr George Bush

Bush and Pope in talks on peace

By Our Correspondent in Rome

POPE JOHN PAUL yesterday received Mr George Bush, the U.S. Vice President. It is understood they discussed the outspoken anti-nuclear stance of the American Bishops' Conference.

The Reagan Administration has expressed displeasure at a strongly-worded draft pastoral letter published by the U.S. Roman Catholic bishops in November. Mr Bush may have sought to persuade the Pope to press for a more moderate version when the final draft comes up for approval in May.

The Pope is a strong opponent of the nuclear arms race but has said disarmament must be by both superpowers in equal measure and cannot be unilateral.

The U.S. bishops' draft letter condemned U.S. first strike policies as immoral, called for a halt to a further arms build up, condemned the concept of limited nuclear war and said that U.S. policy on nuclear deterrence was morally unsatisfactory.

Mr Bush yesterday also met Italian government officials and political leaders as part of his 12-day tour of European nations designed to reassure that the Reagan Administration's wish to negotiate for disarmament is sincere.

In a press conference yesterday Mr Bush said the U.S. Government was prepared to be flexible on negotiations but he added that since the Soviet Union had rejected the so-called zero option it was up to Soviet leaders to come up with new proposals.

Earlier Sig Amilio Colombo, the Italian foreign minister, called on the U.S. to recognise a greater role in the Geneva negotiations on disarmament for the special consultative group of European nations who plan to deploy cruise and Pershing 2 nuclear rockets on their soil from the end of the year to counter the Soviet build-up.

Italy will deploy 112 cruise missiles at the Sicilian base of Comiso by December but has said its ultimate objective is the achievement of the zero option.

The Comiso plan has the support of all four parties in Sig Amintore Fanfani's coalition government though it has provoked very large demonstrations from peace protesters.

Sharp rise in Irish jobless

By Brendan Keenan in Dublin

IRISH unemployment showed one of the sharpest monthly increases on record during January, when seasonal factors are taken into account.

The total number out of work rose by 7,000 to 187,000 or 14.5 per cent of the workforce.

An Irish Government statement described the increase as "shocking" and said it was due to widespread redundancies throughout the economy.

Rift widens between Government and CGT

BY DAVID HOUSEGO IN PARIS

A GROWING rift has emerged between the French Government and the Communist-led CGT union over the still rumbling conflict in the car industry despite official Communist party claims to be loyal partners of the coalition government.

Though the automobile industry is a special case because of its concentration in the Paris area and the high proportion of immigrants among the workforce, the more militant action being supported by the CGT at Citroën's Aulnay plant outside Paris is seen as the harbinger of more widespread strikes by the CGT after next month's municipal elections.

The independent line being taken by the CGT reflects Communist hostility to the Government's austerity policy. As members of coalition administration the communists tacitly accept the Government's attempts to reduce consumer purchasing power.

Indicative of this growing rift, the Citroën management yesterday confirmed that it was taking action to dismiss 15 workers involved in last Wednesday's violent clashes outside the Citroën headquarters at Neuilly. Among the 15 are four CGT representatives – all Moroccan workers – including M Akka Ghazzi, the union's secretary general at the plant and a member of the works committee. M Ghazzi has been a firebrand apostle of Islamic revivalism and Communism.

Undoubtedly the Citroën management has been encouraged to take such drastic action – almost unthinkable since the left took power – by the strong disavowal last week of the CGT's action at Aulnay by M Jean Auroux, Minister of Labour. M Auroux condemned the intimidatory tactics of the CGT as "terrorist" actions.

M Auroux's strong words equally reflect the growing anxiety within the Government at the disturbances in the car industry which has so far cost the Peugeot (of which Citroën is a part) and Renault groups 50,000 cars in lost production so far this year. These losses come at a time when both companies are in the red and face stiff international competition.

The Government has allowed the two groups to raise their prices almost immediately by 2 per cent as part of 7.5 per cent increase for the year. But further measures of support are under consideration.

The 15 workers which Citroën is seeking to dismiss are among 30 to whom suspension notices have been sent. Union representatives can be dismissed only after elaborate procedures.

The CGT has also been attempting over the past 18 months to reinforce its position in the car industry after being virtually excluded from Citroën plants. But the price it has had to pay for winning majority support at Citroën has been to back the increasingly vociferous claims of immigrant Moslem workers. In this process of bidding up, it seems to have largely lost control of its rank and file.

It thus faces a difficult dilemma over future tactics.

Meanwhile the Aulnay plant was described as returning to normal yesterday, though one in five workers stayed away. The Renault plant at Flins was also said to be returning to normal in spite of sporadic stoppages.

French must raise FFr 16bn for pension plan

BY DAVID MARSH IN PARIS

LOANS OF around FFr 16bn ($2.3bn) will have to be raised over the next five years to help finance France's ambitious early retirement scheme, planned to take effect on April 1. The project, one of the main pillars of the Mitterrand government's social policies, took an important step towards becoming reality with the signing of basic pensions agreements at the end of last week by the main unions and the employers' organisation, Patronat.

The agreement has been signed by all the main labour unions except the white-collar federation, the CGC, which has delayed a decision until today (Tuesday) in protest against the plan to give more favourable pensions treatment to blue-collar workers than to managerial staff.

The accord, aiming to give pensions of roughly 70 per cent of previous salaries to employees deciding to retire at the age of 60, will directly concern the roughly 350,000 workers who reach this age each year.

About 80 per cent of these workers are expected in future to opt for early retirement rather than to stay on until the present retirement age of 65. Compared with present pensions, manual and factory workers who retire early in future will be slightly better of. while managerial-grade employees will fare less well.

The different treatment – which has been hailed by leading unions like the Communist-led CGT and the Socialist-leaning CFDT as a major social victory – partly reflects the fact that white collar employees have greater life expectancy than manual workers at the age of 60. Because of this, managerial and office personnel in the past have enjoyed their pensions for much longer than factory workers – an imbalance which by increasing blue-collar workers' rights, the Government aims to rectify.

The increase in the number of pensioners in coming years will greatly increase the demands on the social security system, financed by contributions both into the general scheme run by the Government and into separate "complementary" pension funds.

Barbie was 'on U.S. payroll as informer'

DETROIT: U.S. military intelligence kept Klaus Barbie, "the Butcher of Lyons," on the payroll as an informer, even after learning of the atrocities he committed and despite the fact that he provided little useable information, according to a former counter-intelligence officer.

"He had sold a bill of goods to one of my superiors that he could provide information because he still had contacts in Europe" Mr Erhard Dabringhaus, now a professor at Wayne State University, said

Barbie, 69 awaiting trial in France for the torture and death of thousands of French resistance members and Jews, was paid $1,000 per month for at least the last six months of 1948, Mr Dabringhaus said.

Klaus Barbie's return to France could have effects far beyond his own trial, recalling the painful era of the Nazi occupation when some people fought their conquerors and others worked for them, French newspapers said yesterday

Barbie will be moved shortly to another prison from the military jail in Lyons where he is at present being held, informed sources said

Barbie has been locked in a cramped, bare cell at Fort Monluc prison in central Lyons since arriving in France on Saturday after being expelled from Bolivia

Nkomo men on trial for high treason

By Our Harare Corresppondent

SEVEN LEADING members of Mr Joshua Nkomo's Zapu and its Zipra military wing went on trial in Harare yesterday on charges of high treason.

The two most prominent defendants are Lt-General Lookout Masuku, formerly deputy-commander of the Zimbabwe National Army and Mr Dumiso Dabengwa, once intelligence chief of Zipra and often tipped as a successor to Mr Nkomo.

The chief prosecutor told a packed courtroom that the seven had been "actively engaged in preparations to overthrow the lawful government by armed rebellion."

He quoted from a letter written by Mr Dabengwa to the head of the KGB, the Soviet secret service, seeking support for Zapu.

In the letter. Mr Dabengwa criticised what were described as the pro-Western policies of the Mugabe Government, and was quoted as saying that these could turn out to be even more reactionary than those of Bishop Abel Muzorewa, the former black Prime Minister, who led the Government in 1979, prior to independence.

The trial coincides with further violence in Matabeleland. Mr Nkomo's stronghold. Five dissidents have been killed and 14 captured in the past few days.

The current dissident campaign in western Zimbabwe mirrors the guerrilla war waged against the white government in the 1970s.

Officials speak of schools being forced to close—just as they did during the guerrilla war—of teachers fleeing the rural areas, of a setback to development programmes as construction equipment is destroyed, and of many instances of petty theft and violence.

The authorities are appealing to the Ndebele villagers, whose traditional loyalty is to Mr Joshua Nkomo's Zapu, not to feed or assist the young bandits, most of whom are former members of Mr Nkomo's Zipra guerrilla army, disbanded in 1981.

Mr Nkomo and his parliamentary colleagues have responded by accusing the security forces — and especially the North Korean-trained Fifth Brigade, which has been deployed in the area in the past two months—of brutal, repressive tactics.

Iran claims to have recaptured large areas in 'biggest offensive'

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

IRAN claimed yesterday to have launched its biggest offensive against Iraq since the start of the Gulf war in September 1980. It said its forces had recaptured a large area of southern Iran still occupied by Iraq and had knocked out a brigade of Iraq's 14th Army division, two infantry battalions and a mechanised battalion.

The Iranian claims were denied by Iraq. A military communique from Baghdad said the offensive in the central southern sector north east of Amara in Misan province had been crushed. "Nobody survived from the attackers, except those who fled the battlefield or were taken prisoner." said the communique.

Mr Hashemi Rafsanjani, the Speaker of the Iranian Parliament, said the offensive would be "the final military operation that will determine the destiny of the region." He was earlier reported to have told Parliament that Iran had been given no choice but to make "our final effort."

The Iranian offensive had been predicted for the past two months and fighting had intensified as Iraq sought to prevent large-scale Iranian troop concentrations. Since being driven back to the international border last year Iraq has constructed an elaborate system of defences at key sites along the border.

The last full-scale Iranian attack was launched in the second half of July when over a 12-day period successive waves of Iranian armour and troops were checked north east of Basra. Iraq admits to having lost 10.000 men in the July battles and says many more Iranians died.

The total death toll in two years and four months of fighting is estimated at over 100,000 with many more wounded.

Both economies have been seriously damaged by the war but Iran as been more successful in restoring its oil exports which towards the end of last year reached a peak of close to 3m barrels a day (b/d).

With Iraq's deep-water oil terminals out of action it is now reliant on the pipeline through Turkey which is carrying an average of 600,000 b/d. It has only been able to finance its war effort through substantial borrowings from Saudi Arabia and other Gulf countries estimated now at some $30bn.

Military analysts doubt whether Iran has the logistical support to sustain an offensive for more than a few days, although it almost certainly can be assured of numerical superiority at certain points along the border.

Iraq has succeeded however in restoring army morale after the defeats in the first half of 1982 and has successfully replaced most of the equipment it lost. Its air force is also playing a more effective role with helicopter gunships proving particularly lethal in providing close support for ground troops.

Begin's military bedfellows make political advances

BY DAVID LENNON IN TEL AVIV

WHO RULES Israel, the military or the politicians? This question has become highly relevant since the Israeli invasion of Lebanon last year when the army frequently appeared to be acting first and only seeking cabinet approval later

Israel's war in Lebanon demonstrated the growing involvement of the military in the decision-making process and may contain a warning about the possible evolvement of the country into a military democracy

"The lesson of the Lebanese war is that the mechanism of civil control over the military is very weak." says Dr Yoram Peri. author of a new book* about political-military relations in Israel.

The author was the Israeli Labour Party spokesman from 1970 until the party lost power in 1977. He then left politics very weak." says Dr Yoram Today, Dr Peri is a lecturer in the political science faculty of Tel Aviv University.

Contrary to the common belief that the Israeli army is apolitical, his study argues convincingly that the army has always been closely involved in running the country and that this involvement has been growing. "Despite earlier claims, Israel is no exception to the general rule that in a garrison state the army moves into politics," Dr Peri points out.

Drawing on a series of incidents. ranging from the "generals' revolt" in 1948, when the military command opposed a decision of Premier David Ben Gurion, up to the turmoil during the 1973 war, Dr Peri argues that the military has always had an influence on Israeli politics.

"The protracted Arab-Israeli war and the centrality of security to Israel have given a major role to senior military personnel in Israeli politics and public life in general. Since the attainment of independence in 1948, state control over the military has been weaker than commonly perceived. Instead of state control, a unique pattern of civil-military partnership exists." Dr Peri writes in the introduction of his book.

"The military's role in formulating national policy was and is considerable, and indeed a few crises involving top military and civil echelons erupted. Some were exposed to the public, while others are still withheld from its knowledge. All this leads to the possibility, which has been considered up till now as improbable, of a further intensification of the involvement of the military in politics."

The appointment of Gen Rafael Eitan as chief of staff in 1978 and of Gen Ariel Sharon as Defence Minister in 1981 have highlighted this growing trend. Unlike most of his predecessors, Gen Eitan is publicly outspoken on political issues. At a cabinet meeting in June 1980, he severely criticised the functioning of the Government, even going so far out of the realm of military matters as to accuse the cabinet of having no clearly defined economic policy.

But the arrival of Gen Sharon as Defence Minister has been even more significant. A man with scant regard for those above him, he has frequently acted without clear government approval. Before the assassination of Mr Bashir Gemayel, Lebanon's president elect, provided the excuse for entering West Beirut. Gen Sharon had declared in an interview that if he felt this step essential, he would take it regardless of the views of the cabinet.

Primarily a military man, Gen Sharon has always advocated an offensive approach. In politics he has raised this from the tactical level to the strategic. "He has brought a military way of thinking into the analysis of political issues," says Dr Peri.

Of course. Gen Sharon is not the first military man to hold a key position in the political hierarchy. The Israeli political, administrative and commercial sectors have always had a large number of former officers in prominent positions. Some 20 per cent of all officers from the rank of Colonel upwards enter politics in the broad sense, according to Dr Peri.

A clear demonstration of the interaction of the military and political fields could be seen in the prominence of such former chiefs of staff as the late Gen Moshe Dayan, who served as Defence Minister and later Foreign Minister

Indeed, when the leading parties want to freshen up their public image. they tend to recruit prominent officers to take senior positions in the party's front ranks. As the book notes: "Israeli public opinion takes a highly positive view of the entry of officers into politics."

Because of the permeability of the boundaries between the military and politics, the army has never had to resort to coercive means to ensure that its views are listened to or acted upon.

"So far, officers have no cause to use force to further their interests, because in many ways they were satisfied by the civilians. The army has not assumed control over the decision-making process because the civilians acquiesced in its high level of participation," the book notes.

Gen Sharon used the army in Lebanon not just to achieve the military goal of defeating the military power of the Palestine Liberation Organisation (PLO). He also sought the PLO's political destruction and wanted to establish a pro-Israeli regime in Beirut

This made the war in Lebanon the most overtly political of all Israel's wars.

The convergence between the military and the political was most dramatically illustrated when Mr Menahem Begin, the Prime Minister, was accused of having lost control of his Defence Minister. Replying to a question about this, Mr Begin said: "I always know what Sharon is doing, either before or afterwards."

* *Between Battles and Ballots. The Israeli Military in Politics, by Dr Yoram Peri, Cambridge University Press.*

Thais braced for fierce Vietnamese assault

By Stewart Dalby in Aranyaprathet, on the Thai-Kampuchean border

Thai military officers here and doctors at the main Khao I Dang refugee centre 10 kms away are bracing themselves for a second fierce Vietnamese assault on Khmer Rouge guerrilla positions on the border at Nong Chan some 50 kms away, where thousands of refugees were forced to flee from heavy shelling last week.

Journalists and relief workers have been forbidden from travelling to Nong Chan, a few kilometres inside Kampuchea, because of the expected offensive, although some medical teams attached to the International Committee of the Red Cross appear to have got through.

Since the Vietnamese dry season offensive started in earnest on January 30, some 2,000 to 3,000 troops of the Khmer People's National Liberation Front (KPNLF) of Son Sann, together with possibly 41,000 civilian refugees, have been driven right back to the Thai border.

Estimates of casualties in the Vietnamese assault which has apparently involved tens of thousands of troops together with the most up-to-date Russian-supplied armour like the T-72 tank, are put at 100 dead and hundreds wounded.

The drive is part of the Vietnamese push against guerrillas of the KPNLF, a weak part of the coalition of democratic Kampuchea's army.

Diplomats say that there are possibly 30,000 Khmer Rouge guerrillas, some 9,000 KPNLF forces and around 1,500 men attached to Prince Norodom Sihanouk, the former ruler of Kampuchea mobilised in the country.

The KPNLF were previously known as the Khmer Serei and owe allegiance to Son Sann, a past Prime Minister who is considered Right-wing. He and Prince Sihanouk live uneasily with the Khmer Rouge leaders in the coalition.

If the Vietnamese renew their push against Nong Chan, then some 41,000 refugees may be forced to flee across the border into Thailand together with the 2,000 to 3,000 troops.

Six killed in Assam poll riots

BY K. K. SHARMA IN NEW DELHI

TENSION in the troubled north-east Indian state of Assam, where elections begin on February 14, grew at the weekend when students launched a "non-co-operation" movement against the authorities. Police fired on rioters as violence escalated in the Brahmaputra valley.

Six people were believed killed, bringing the death toll to 21 since the agitation to prevent elections from being held began a fortnight ago.

The "non-co-operation" movement is reported to have been successfully launched in Gauhati Assam's capital, and other parts of the state. A road blockade around Gauhati and a "people's curfew" were planned yesterday.

The Government has rejected calls for the elections in Assam to be postponed despite the difficulty in finding people to man polling booths.

In New Delhi, Mrs Indira Gandhi's Congress (I) Party maintained its lead in elections to the capital's Metropolitan Council and the Municipal Corporation, where it coasted to absolute majorities. There was jubilation in Congress circles, where the unexpected victories were attributed to the vote-catching abilities of Mrs Gandhi and her son, Rajiv.

Lebanon pull-out talks resume

BY NORA BOUSTANY IN BEIRUT

FIGHTING IN the mountains east of Beirut between Christian and Druze militias dominated discussions at the resumption of talks in an Israeli withdrawal from Lebanon which began again at Khalde, south of the capital, yesterday.

Brig-Gen Ammon Lipkin, the Israeli commander of the region, was called to the meeting to give details of a ceasefire which had been agreed, but within hours shooting resumed.

The Lebanese delegation opened yesterday's talks by calling on Israel to respect international conventions and to protect citizens in areas under its control. At least 40 people are believed to have dide during fighting at the weekend.

Lebanon's chief delegate at the U.S.-Israel-Lebanon negotiations, Mr Antoire Fattal referred to Israel as an "occupying-power."

Voice of Free Lebanon, mouthpiece of the Lebanese forces, accused Israeli forces of confining Christian militia to their barracks, while allowing Druze militia to go on the rampage

Under the terms of the ceasefire, which later collapsed, Brig. Gen. Lipkin said roadblocks would be eliminated, arms collected and kidnappees released "by force, if need be."

He vowed that Israeli forces would take all necessary measures to carry out the agreement in which they are a direct party. The Israelis have often been instrumental in arranging truces and short-lived ceasefires.

AMERICAN NEWS

Argentine economy minister aims to tie up aid package

BY JIMMY BURNS IN BUENOS AIRES

SR JORGE WEHBE, the Argentine Economy Minister, leaves for the U.S. today on a trip principally aimed at ironing out outstanding aspects of an international aid package to help his country over its $39bn (£26bn) debt crisis.

Sr Wehbe will be accompanied by Sr Julio Gonzalez de Solar, the central bank governor and a key figure in the current negotiations. The minister will be officially attending the interim committee meeting at the IMF in Washington on Thursday, and will lecture to the Council of the Americas and the Council of Foreign Affairs, two prestigious independent foreign policy associations.

But it is understood that the Argentine mission will also hold a series of high level talks in New York and Washington with senior commercial bankers, IMF officials and Mr Paul Volcker, chairman of the U.S. Federal Reserve, and Mr Donald Regan, Treasury Secretary.

There is a growing feeling in Buenos Aires that Sr Wehbe's term of office may be entering a critical phase and that he needs all the support he can get from the international financial community.

Talks on a five-year term commercial loan of $1.5bn, and on the rescheduling of between $5.5bn and $8bn of short-term debt, are at an advanced stage following the signature last month of a *$2.2bn IMF aid* package and a $1.1bn bridging loan. Argentina has also negotiated a $500m loan from the Bank for International Settlements.

However, Sr Wehbe is finding it increasingly difficult to reconcile some of the IMF dictates with pressure from within his own cabinet, the employers' federation and the unions to modify some of the main planks of his economic programme.

One of Sr Wehbe's main problems appears to be that of maintaining a consistent policy on interest rates while the inflation rate is again threatening to go out of control. The employers' federation has stepped up its criticism of Sr Wehbe because of his attempts to tighten price controls.

Sr Wehbe, meanwhile, has to reassure the IMF that the monetary supply is being controlled before Argentina can draw a second tranche from the IMF in the second quarter of this year.

Stroessner's seventh term

ASUNCION — General Alfredo Stroessner, ruler of Paraguay since 1954, was elected on Sunday to his seventh term as President by an overwhelming majority. His Colorado (Red) Party announced that he had won 90 per cent of the vote in general elections.

Sr Juan Ramon Chavez, President of the Party, said that Gen Stroessner had received 919,582 of the 1,021,597 votes cast.

His two opponents received fewer than 100,000 votes between them. The Radical Liberal candidate, Sr Enzo Doldan, came second with 5.7 per cent of the vote and Sr Fulvio Hugo Celauro of the Liberals was third with 3.2 per cent.

A coalition of four other opposition parties — "the National Accord"—had boycotted the campaigning before the elections.

Reuter

U.S. Chief Justice calls for judicial reform

By Reginald Dale,
U.S. Editor in Washington

Mr Warren Burger, Chief Justice of the U.S. Supreme Court, has added his influential voice to mounting calls for a reform of the federal judicial system.

In his annual "state of the *judiciary*" *speech to the* American Bar Association at the weekend, Mr Burger asked Congress to create a new national appeals court to take over up to one-third of the Supreme Court's cases.

Mr Burger said that a dramatic restructuring, the first in nearly a century, was needed to "avoid a breakdown of the system — or of some of the Judges." The number of appeals to the nine-member Supreme Court has risen in the past 30 years by nearly four times to over 5,300 a year.

The new court should be established for an interim five years, during which a more permanent solution should be studied, Mr Budger said. It would be composed of judges borrowed from other federal courts on a rotating basis.

The main task of the new court would be to decide issues on which any two of the 13 U.S. Courts of Appeal reached conflicting decisions, one of the biggest sources of cases referred to the Supreme Court. While the Supreme Court is not obliged to accept such cases, it often does so in order to avoid conflicting interpretations of federal or constitutional law in different parts of the country.

Rulings by the new court would be binding on the entire country, unless overturned by the Supreme Court. Mr Burger expressed confidence, however, that the new court could resolve conflicts in a way that would make it unnecessary for the Supreme Court to intervene very often.

The political future is open, writes **Nicholas Hirst**, recently in Winnipeg

Canadian Tories face uncertainty

THE FUTURE course of Canadian politics has been thrown wide open by former Prime Minister Joe Clark's decision to call a leadership convention of his Progressive Conservative Party.

Until the party's biannual meeting in Winnipeg last week, it seemed certain that the Tories would capitalise on their strong lead in the opinion polls *and form their first majority* government in 20 years at the next general election, expected in the middle of 1984.

Instead, the Tories left Winnipeg in shock and disarray. A third of the 2,000 delegates indicated that they were unhappy with Mr Clark's leadership and voted for a review.

Mr Clark felt he had failed to gain the mandate he needed to silence his critics, announced his resignation as leader of the opposition and declared his intention of fighting to get his old job back at a convention to be held in the next few months.

His leadership has been open to question since the defeat two years ago of his mismanaged seven-month minority government.

The ruling Liberals, the natural party of government for the past 50 years, are unsure whether to clap their hands in pleasure at the Conservatives' latest discomfort or worry that the Tories will find a new leader with strong appeal.

Deeply unpopular and unsure of their own direction, the Liberals have seen Mr Clark as a weak candidate. So long as Mr Clark continued to lead the Tories and the depressed economy showed signs of picking up before an election needed to be called, they saw the chance of reversing their fortunes.

From the Liberals' point of view, the best possible outcome of the leadership convention will be the choice of a compromise candidate like Mr Clark, someone who is everyone's second choice.

For the influential Tory power brokers, who tried to win Mr Clark his mandate at Winnipeg, his declared candidacy at the leadership convention is an embarrassment.

Their support was based on the belief that party unity was more important than the choice of leader. Weak though Mr Clark might be, they thought that their standing in the polls was so high and the public's dissatisfaction with the Liberals so great that their best chance of victory was to support him. This, they argued, would show that the interminable squabbling and internal dissent which has plagued the party was a thing of the past. Staying with Mr Clark seemed infinitely more preferable than risking the party tearing itself apart to find a new leader.

Following the obvious failure of that strategy, the plan now must be to find someone who can unify the party and keep the squabbling to a minimum.

The problem is that there is no obvious alterantive to Mr Clark. It is not even clear who the delegates who voted against him would want. Mr Dalton Camp, a former party president and an important figure in the campaign to keep Mr Clark in power, described the anti-Clark factions as "cashew coalitions." They were, he said, a mixture of "nuts, extremists and the personally ambitious."

A majority in the party would welcome a strong decisive leader who would present a positive Conservatism to the Canadian public. But the Canadian Tories have also tended to eschew candidates, either from the left or the right, preferring instead a politically moderate style of leadership.

The one candidate who might unify the party is Mr Peter Lougheed, the provincial prime minister of Alberta. Tough and extremely successful, he led the Albertan Tories to victory with 63 per cent of the vote and all but four of the 79 provincial seats last autumn. He is a strong advocate of business interests, favours foreign investment, is nationally well known and looks like a winner. But he has disadvantages, some of which could be serious.

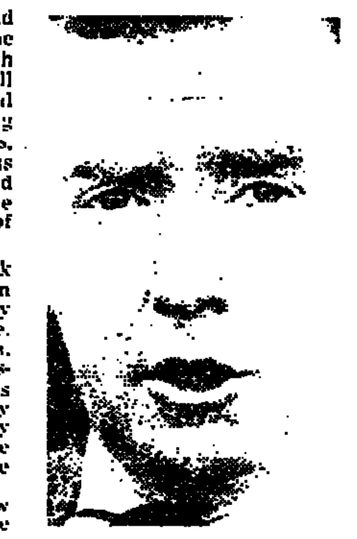
Mr Lougheed does not speak French, giving him problems in Quebec. Eastern Canadians may worry about his Western base. For all his success in Alberta, Mr Lougheed is not a charismatic leader. His skills are as a political manager in a wealthy province, which until recently has been isolated from the economic ills of the rest of the country.

There are doubts over how well he would fare with the wider issues of federal politics. The provincial premiers which the Tories have chosen as leaders in the past have tended to be unsuccessful.

Mr Lougheed says he will not run for the leadership, but manages to leave the impression that if Mr Clark withdrew and enough people asked him, he might change his mind.

Whether Mr Lougheed runs or not, there is a chance that the shock the Tories gave themselves at Winnipeg will work its own medicine and strengthen their desire to present a united front. Those that voted for the leadership review said they were doing so to "clear the air." It might do so but the signs are not propitious.

When Mr Clark formally resigned as party leader last week, the parliamentary party showed a rare unanimity in choosing an interim leader, Mr Eric Nielsen, a Clark supporter. But that choice had been preceded by intense squabbling and unseemly manoeuvring against Mr Clark's followers. Many believe the new unity will be short-lived.



Joe Clark . . . failed to gain a mandate

The traditional power brokers are uncertain what to do or who to support. There is a danger of a battle between right and left, and the West and the East.

If the squabbling returns, the party is likely to reduce its lead in the polls and increase the number of uncommitted voters.

In the meantime, the Liberals' standing could rise considerably if they got rid of Prime Minister Pierre Trudeau, their own leader. His unpopularity appears deeper than that of his party, and it is now thought certain that Mr Trudeau will resign early next year. A leadership convention would then be called and an election follow soon after.

The Liberals have a knack of unifying behind a new leader and there is a feeling that the next election could set the pattern for the rest of the century. With new leaders, both parties would have the opportunity of presenting a fresh image to the public and burying some of the mistakes of the past.

Montreal floats idea for NY link

By Christian Tyler, recently in Montreal

CITY HALL, Montreal, is taking discreet soundings with its counterparts in Albany, capital of New York State and in New York City itself about the possibility of a high-speed rail link to connect the three urban centres.

The idea is the brainchild of *Montreal's veteran and in*defatigable major, M Jean Drapeau, who has held the office for all but three of the last 30 years.

The air flight from Montreal's Mirabel airport to JFK in New York takes 1 hr 20 min, but at least another couple of hours have to be allowed for the journey from city centre to city centre.

A pre-feasibility study has concluded that the 400-mile journey from Montreal to down-town New York could theoretically be done in two hours and 58 minutes by high-speed train and that further study was warranted. The present train takes 8½ hours by day, or 11 hours by night.

M Drapeau believes Mirabel, presently under-used, could siphon off some of New York's congested transatlantic traffic as it is not far from the flight path. It could become, in effect, that city's third international airport.

But inter-city transport is not within municipal jurisdiction, and M Drapeau is waiting for the right moment to set detailed arguments before the public.

Not surprisingly perhaps M Drapeau inclines towards the French Train de Grand Vitesse (TGV), now running between Paris and Lyon, as the model for his system.

Some of Montreal's own business leaders are already convinced that a high-speed rail link will never make economic sense; as one retired rail executive commented: "It's not going to fly."

Richard Lambert examines changes in the labour market

Chill climate for U.S. wage deals

THE RECESSION has had a searing effect on the U.S. labour market, with unemployment running at 10.4 per cent of the workforce, a post-war high. Two key questions are whether all this misery has broken the inflationary pattern of pay settlements in the U.S. and whether U.S. workers are now prepared to take wage cuts to price themselves into a job.

Figures just released by the Bureau of Labor Statistics may not provide conclusive answers, but they do point to significant changes in the climate for wage settlements. They show that whereas workers in healthy industries more than kept pace with inflation in 1982, others were forced to accept cuts in nominal as well as real terms.

The figures also highlight a very sharp downturn in the overall rate of wage inflation, which could well continue into 1983.

The analysis surveys the wages of 8.4m workers covered by the larger private industry bargaining units — those with 1,000 workers or more. It shows that the effective wage adjustment of these people averaged 6.7 per cent in 1982, which was rather more than the rate of inflation, but was still the lowest figure since 1972—a year of price and wage controls.

Moreover, that figure overstates the experience in 1982, since it takes in Cost of Living Adjustments (Cola) and settlements negotiated in previous years. The 3.3m workers covered by settlements negotiated in 1982 will not do as well as that.

Around a third of them will receive no specified wage increase at all, although most of this group will be eligible for Cola awards. Wage adjustments agreed last year averaged just 3.8 per cent for the first year of the contract (excluding Cola awards), down from 7.9 per cent when the same parties bargained previously. This was the lowest rate of increase since the numbers started to be collected in 1968.

> "Two key questions are whether the inflationary pattern of U.S. wage settlements has been broken and whether workers are now prepared to take wage cuts to price themselves into a job"

Moreover, there were wide gaps between the experience of people in different industries. For instance, workers at General Electric and Westinghouse received much larger increases in compensation than did those in the auto and trucking industries.

This divergence shows up in an analysis of changes in wage and benefit costs in settlements reached last year covering 5,000 workers or more. When the terms are averaged over the life of the contract, it turns out that 30 per cent of the workers covered by these settlements in 1982 took decreases in their compensation, mostly in the form of lower benefits.

By contrast, 25 per cent of workers in these groups kept pace with inflation, achieving average gains of 4 per cent to 6 per cent, and another 17 per cent actually did better than this.

Some labour economists argue that these figures indicate a decisive break with the pattern of U.S. pay settlements since the war. There is no longer such a thing as a "going rate" of wage increases, they claim. Labour has been forced to recognise economic reality and accept that ailing industries can afford to pay a lot less than those in healthy sectors of the economy, they argue.

In the past, terms agreed for one company would tend to be spread across a whole industrial sector through the process known as "pattern bargaining." But the concept of the master contract has now been undermined in a number of cases. The big auto manufacturers no longer work under similar contract terms, some of the weaker steel and rubber companies have negotiated special deals with their workforce.

The sanctity of the three-year contract has been challenged in several major industries. Economic uncertainty has brought a number of short-term agreements, notably in the construction industry, where both sides of the bargaining table have been anxious to limit their commitments. More than a quarter of the 153 agreements negotiated by this group in the first nine months of 1982 will expire in 1983. By contrast, just one of the 165 contracts settled in 1981 expired in 1982.

Overall, only three of the industries which traditionally rely on "pattern bargaining" agreed to settle on normal terms for deals negotiated in 1982—that is, wage and benefit gains for employees and no givebacks. These were petroleum refining and petrochemicals, apparel and electrical equipment manufacturing.

However, analysts at the Bureau of Labor Statistics are not convinced that all this adds up to a fundamental break with the past.

There were patterns of a kind in last year's settlements — tight terms set by the auto manufacturers were matched by their suppliers, for instance, and Westinghouse felt obliged to follow the General Electric line.

Some 3.6m workers are under major contracts which will expire or are subject to reopening in 1983, which makes it a heavy bargaining year. The sectors covered include aluminium, telephone communications, longshoremen and aerospace. But the one that everyone is watching is the steel industry contract, which is due to expire at the beginning of August. Talks resumed yesterday, under news blackout, on a third attempt to renegotiate the contract.

Nigeria presses ahead with £666m Lagos metro plan

BY QUENTIN PEEL IN LAGOS

NIGERIA IS pressing ahead with plans to build an urban mass transit "metro" railway in Lagos, at an eventual cost of $1bn (£666m) in spite of its current economic problems.

The contract has been won by Interinfra, a consortium of 19 French companies which have also been responsible for similar systems in Mexico and elsewhere.

Federal government approval has been given for foreign finance to be raised, but only for a first phase of the project, costing some N200m (£200m).

The project is the responsibility of the Lagos State government, and involves building an overhead railway from the centre of Lagos, to Yaba on the mainland, and then in a second phase to Agege.

The state government last week made the first down-payment of N14m, which represents 15 per cent of the Nigerian costs of the scheme, and has applied for exchange control approval for the full N107m down-payment as 15 per cent of the offshore costs of the full project.

Societe Generale, the French bank is the lead bank in raising the initial funds on the European market, which will be entirely in the form of trade credit, backed by Coface, the French export credit guarantee agency.

The eventual costs of the French part of the contract will be N566m which has Coface approval for 85 per cent.

Michael Holman adds: The British Export Houses Association has warned that mounting arrears in import payments by Nigeria are placing many of its members under financial strain. The association claimed delays stretched back 16 months.

No official figures on the size of the backlog have been released by the Nigerian Central Bank, but most estimates put it at $5bn (£3.3bn). This is the equivalent of three months' imports at early 1982 levels.

Of the association's 220 members, 80 are trading with Nigeria. Payments delays are placing members "under a most difficult financial strain," said the association.

The association told Mr Peter Rees, British Trade Minister, that "pressure should be brought to bear on the Nigerian authorities to meet their financial obligations in a timely fashion."

Shipping market recovery seen

BY ANDREW FISHER, SHIPPING CORRESPONDENT

WORLD SHIPPING markets could start to recover this year after the poor rate levels of 1982, according to Fearnleys, a leading Norwegian firm of shipbrokers.

Freight rates could move from well below the breakeven level last year to breakeven or slightly above for modern efficient ships, it said in its 1982 review.

So far this year, shipping markets have remained very weak. Fearnleys said the tonnage surplus of some 150m deadweight tons was "appallingly high," but the world economy and world trade could have reached bottom.

Fearnleys described its hope for 1983 rates as modest. But in the past, small rises in freight levels usually occurred once the market had touched bottom with surplus vessels laid-up.

Recent months have seen record lay-up totals, now well over a tenth of the world fleet. Fearnleys said new deliveries this year should total 24m dwt, while ships leaving the market could be 25-30m dwt—"a small, but important reduction in the world fleet."

Matheson (Chartering) of London noted faint signs of a trading revival.

It said in its monthly review that charterers were showing more interest in taking ships for longer periods, in the belief that markets may have passed their worst.

While much inquiry may not develop into firm business, "it is a small indicator of returning confidence."

Another UK shipbroking company, Galbraith Wrightson, said the rise in medium- to long-term charter activity was welcome, but market consensus was that it would be short-lived.

Iran-UK line in service soon

BY OUR SHIPPING CORRESPONDENT

IRAN'S national shipping line is to start operating the first regular service to the country from the UK for four years, mainly because of a rise in Talbot car imports.

The monthly service from Newport, South Wales, to south Iranian ports, will begin with the sailing of the Iran Nahad from the UK port in the middle of this month. The Islamic Republic of Iran Shipping Lines (IRIS) will now carry all UK goods imported into Iran.

The UK agents for IRIS are Lambert Brothers Ship Agencies, part of the Hill Samuel group. Lambert said the new service was mainly based on the volume of Talbot car shipments.

Talbot, part of Peugeot of France, makes car kits for assembly in Iran, which recently cleared all debts to the company, thus allowing the Stoke, Coventry, plant to resume full-time working.

IRIS will also carry general cargoes on its monthly run, but these will not include consumer durables. In recent months, London shipbrokers have reported rising Iranian imports of general cargoes and commodities.

The Stoke plant is now producing some 350 kits a day for Iran. The car, the Peykan, is based on the old Hillman Hunter, and demand in Iran is now running high, Talbot said. At present, some are sent by overland route.

Talbot could receive £150m a year under the present contract if it sells 60,000 of the kits.

Rise in W. German insurance payouts

By James Buchan in Bonn

SHARPLY INCREASED payments difficulties in a number of countries caused a 21 per cent jump last year in payouts of West German state-backed export insurance.

The Bonn economics ministry said yesterday that the growing number of countries with payments problems in the course of the year led to spending for damages and rescheduling of DM 930m (£248m) in 1982 against DM 770m (£205m) in 1981.

Despite these record payouts, the conservative-liberal coalition Government in Bonn last week announced that it would be more flexible in the provision of export credit guarantees in an effort to stimulate domestic employment.

New export business covered last year amounted to DM 39.2bn, up 9 per cent over 1981 despite a sharp fall in incoming foreign orders in the latter part of the year. The Government now hopes export orders have stabilised.

The cumulative value of export business covered at the end of last year was DM 150.6bn, under the DM 160bn authorised as the upper limit in the course of the year.

Philippines in iron-mill deal

TOKYO — A consortium of four Japanese companies will build direct-reduction iron mills and related plant worth Y90bn (£243m) in Mindanao, the Philippines, on a full turn-key basis, the Marubeni Corporation said.

The deal comprises six direct-reduction mills, each capable of producing 230,000 tonnes of iron a year, a pelletising mill and a calcination kiln, part of an integrated steel works with an annual capacity of about 1.4m tonnes Marubeni said.

Marubeni said the consortium, comprising Kawasaki Heavy Industries, Kobe Steel, Ube Industries and Marubeni, has received a letter of intent from the state-run steel company.

Reuter

Export curbs top Japan-EEC talks

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN-EEC relations will pass an important watershed on Thursday when a lengthy working session is due to be held between two EEC Commissioners and the Japanese Ministry of International Trade and Industry (MITI) on European demands for export restraint.

The first of the two Commissioners, Mr Wilhelm Haferkamp arrived in Tokyo on Sunday and began preliminary talks today with MITI and the Ministry of Foreign Affairs. He is due to be joined tomorrow by the Commission's Vice-President Viscount Etienne Davignon.

The two men will spend the greater part of Thursday discussing bilateral EEC-Japan trade problems with Japanese Ministers before attending a four-sided conference of trade ministers from the U.S., Canada, Japan and Europe scheduled for Friday.

The main item on the agenda at Thursday's meeting will be the EEC's demand, tabled in early January, that Japan give specific undertakings to restrain its exports to the Community of 10 highly sensitive items.

The list includes VTR sets, television sets and tubes, and certain types of machine tools, as well as motor cycles, cars, light commercial vehicles and fork-lift trucks.

Japanese officials have been hinting for at least the past two weeks that on the most sensitive item of all — VTR sets — some firm undertakings of export restraint are likely to be forthcoming.

These, however, will be "in return" for promises to withdraw anti-dumping charges against Japanese VTR exporters and for the lifting of a French ruling under which all VTR sets imported into France have to be cleared through the small inland customs post of Poitiers.

Apart from offering to restrain VTR exports to specific levels Japan may be prepared to offer the EEC more general undertakings about exports of machine tools and TV tubes—the items which have the next highest urgency rating on the European list.

The six remaining products include items which the EEC regards as potential rather than actual causes of trouble or which concerns specific member countries rather than the EEC as a whole.

Apart from dealing with European demands for export restraint Japanese trade officials will be spending part of this week listening to U.S. requests for the extension of the voluntary restraint arrangement for passenger cars introduced in May 1981.

World's vehicle production falls by 3%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

WEST GERMANY'S vehicle exports accounted for 59 per cent of total output last year, up from 55.2 per cent in 1981.

By this measure, West Germany outpaced Japan whose exports represented 52 per cent of output in 1982, down from 54 per cent. However, both are dwarfed by Sweden's performance. Last year, 65 per cent of Sweden's vehicle output was exported and in 1981 the figure was 65.6 per cent.

In unit terms, Japan remained far and away the world's leading exporter last year, with 5.57m vehicles shipped overseas. This was well ahead of West Germany's exports of 2.4m.

But, while the world-wide recession helped cut Japanese vehicle exports by 8 per cent in 1982, from 6m, West Germany showed the biggest export improvement with an 11 per cent jump from 2.15m.

The accompanying table shows provisional estimates compiled by the VDA, the West German motor industry association, which are proving close to the mark as the actual figures are published.

According to the VDA, world vehicle production fell 3 per cent last year, from 37.4m to 36.3m. The main influence was the substantial drop in output by the two major producers, the U.S. and Japan.

The VDA estimates suggest U.S. vehicle output slumped by 949,000 or 12 per cent to 6.98m while that for Japan was down 443,000 or 4 per cent to 10.73m.

The U.S. was hit by a severe fall in demand for both cars and commercial vehicles in the past three years and this has enabled Japan to consolidate its position as the world's largest producer.

It is well ahead of the U.S. as well as West Germany, in number three position with an output of just over 4m vehicles last year.

According to the VDA estimates, most Western European countries increased vehicle output in 1982. The one exception was Britain, with production down 3 per cent to 1.15m.

A fall in car output was responsible for the set-back. It allowed Spain, with 910,000 cars produced last year, to overtake the UK which produced 887,600—the actual total and only slightly better than the VDA estimate of 885,000 shown in the table.

Spain's success in going against the general downward trend in vehicle output owed something to exports which were up 9 per cent in 1982.

WORLD VEHICLE PRODUCTION

(000s)

	Passenger cars		Commercial vehicles		Total vehicles		% change
	1981	1982*	1981	1982*	1981	1982*	
W. Germany	3,578	3,762	319	301	3,897	4,063	4
France	2,612	2,777	408	372	3,019	3,149	4
Italy	1,257	1,280	176	152	1,434	1,432	0
UK	955	885	230	269	1,184	1,154	−3
Belgium	216	246	32	32	248	278	12
Netherlands	78	87	12	13	90	100	11
Total EEC	8,696	9,037	1,177	1,139	9,873	10,176	3
Spain	855	910	132	135	987	1,045	6
Sweden	258	295	55	54	314	349	11
Other W. Europe	247	260	35	35	282	295	5
W. Europe total	10,056	10,502	1,399	1,363	11,455	11,865	4
U.S.	6,253	5,073	1,680	1,911	7,933	6,984	−12
Canada	784	787	497	448	1,280	1,235	−4
Latin America	1,119	1,125	430	357	1,549	1,482	−4
Japan	6,974	6,890	4,206	3,847	11,180	10,737	−4
Eastern bloc	2,005	1,960	1,062	1,040	3,067	3,000	−2
Other countries	788	835	128	170	966	1,005	4
World total	27,978	27,172	9,453	9,136	37,431	36,308	−3
VEHICLE EXPORTS							
Japan	3,947	3,755	2,102	1,815	6,048	5,570	−8
W. Germany	1,949	2,194	204	204	2,153	2,398	11
France	1,394	1,464	157	140	1,551	1,603	3
U.S.	548	360	170	139	718	490	−32
Canada	565	700	332	415	897	1,115	24
Italy	424	433	91	87	515	520	1
Spain	414	450	35	40	448	490	9
UK	310*	315	90*	80	400*	395	−1
Sweden	166	185	40	42	206	227	10

* Estimates

Source: Verband Der Automobilindustrie (VDA)

Industry's costs hit by slide in value of pound

BY ROBIN PAULEY

THE SLIDE in the value of the pound again caused a sharp increase in the costs industry had to pay for its fuel and raw materials in January.

Industry Department figures published yesterday show that while businessmen have been welcoming the fall in sterling, in so far as it helps exports, they have been paying a heavy price for the currency's depreciation, particularly in their fuel costs.

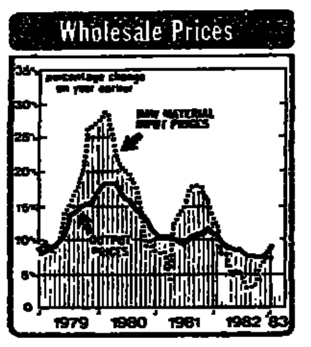
The index for input prices jumped a full 2 per cent in January to 260.7 (1975 = 100) compared with 255.7 in December and 252.6 in November. The change in the index on a year-on-year basis was a rise of 9.1 per cent in January compared with 8 per cent in December.

Sensitivity of this index to the sterling-dollar exchange rate has made it a notoriously erratic indicator, sometimes jumping up or down by several percentage points in one month. Nevertheless its underlying trend was downward until the end of the summer. For the last five months it has been upwards.

Sterling has slipped from an average value of $1.70 in October to $1.63 in November, to $1.62 in December and $1.57 last month. The resulting higher sterling price for crude oil accounts for about half of January's rise in the inputs index. Another significant factor has been the recovery of commodity prices which jumped sharply in January after a year in the doldrums.

The main worry for the Government is that the annual rate of increase in input prices has now moved from 3.4 per cent as recently as October to 9 per cent in January which, if passed on to domestic consumers, would cause the rate of inflation to accelerate faster than expected. The most recent decline in sterling, taking it down to around $1.51, still has to come through into the index.

Wholesale Prices



An early guide to future movements in consumer inflation is the index for manufacturers' output prices which rose by only 0.5 per cent in January, the smallest January rise for 10 years. January usually has a large rise because manufacturers revise their prices for the new year.

Signs this year are that the increased costs caused by sterling's decline are not yet filtering through to customers but it is unlikely that they can be absorbed for long.

The January increase took the index, which covers home sales of manufactured products, to 250.1 (1975 = 100) compared with 248.9 in December and 246.5 in November. The change in the index measured over a one-year period fell from a rise of 8 per cent in December to a rise of 7.4 per cent in January, the lowest year-on-year increase since July 1978.

Lloyd's names disciplinary team

By John Moore, City Correspondent

THE RULING council of Lloyd's of the London insurance market yesterday announced senior appointmente to its newly-created disciplinary framework.

In only its third meeting since the council was brought into existence by legislation this year, the council members were also considering the passing of a new law which would allow it to suspend its own members.

Any new law which is passed is expected to be applied to Mr Ian Posgate, the former leading underwriter of Alexander Howden, who is at the centre of major Lloyd's scandal. Mr Posgate has a seat on the council but is often excluded from parts of meetings while Howden's affairs are discussed.

The 27-members of the council appointed Lord Wilberforce as president of its first appeals tribunal. The appointment, by mutual agreement, is for a period of three years, when it will become renewable. Mr David Caloutt was appointed deputy president for five years, after which his appointment is renewable.

Mr Peter Foden-Pattinson, a former deputy chairman of Lloyd's, has been appointed chairman of the disciplinary committees, and Mr M J Langton, an ex-chairman of the Lloyd's Underwriting Agents Association his deputy chairman. Twelve other people, to be named today were appointed to Lloyd's disciplinary committee.

The meeting also discussed the remuneration package of Mr Ian Hay Davison, who is to start work as Lloyd's first chief executive next week at a salary of £120,000 a year.

Shell UK chairman warns over North Sea oil price 'collapse'

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil companies may be seeing the first stages of a "serious price collapse" which could put future developments at risk, Mr John Raisman, chairman and chief executive of Shell UK, warned yesterday.

"It is possible to conclude, on a normal commercial basis, that the oil industry should begin putting up the shutters on North Sea investment," he told the Coal Industry Society in London.

Mr Raisman said UK production would start to decline in about three years, irrespective of price movements. "It is already too late to stop this happening."

Last month there had been a "less than enthusiastic" response to the offer of new exploration licences. "When oil companies think twice about the acquisition of acreage, there is clearly something seriously wrong."

The Government, like oil companies, was facing a dilemma between short-term prospects and long-term needs. The present system of taxation, designed at a time of rising oil prices, was at the heart of the problem.

Mr Raisman said the Government had to make the choice between "maximising short-term revenues, or forgoing a part, however modest, of these revenues to create the incentive for further investment in the North Sea."

Unless sufficient new sources o f oil were developed in the North Sea and elsewhere there could be another international supply squeeze and a further escalation in oil prices. This, in turn, could cut short any economic revival.

Mr Raisman said more than £30bn had been invested in developing the North Sea oil industry. There was the potential ahead for an expenditure of nearly twice that level. Such investment could prove to be one of the major engines for economic activity in the UK.

"The investment estimate is supported by a Shell briefing report, The Offshore Challenge, which has just been published. The report says that if the UK was to remain self-sufficient in oil after the late 1980s about 80 to 100 small oilfields would have to be appraised and developed in the next two decades. The additional reserves would require another 500 exploration wells to be drilled.

Britons join Japanese board

BY NICK GARNETT

DAINICHI KIKO, one of Japan's fastest-growing industrial robot manufacturers, has appointed two Englishmen on to its Japanese board of directors.

The two men, Mr John Tomlinson and Mr David Walker, both aged 36, are joint managing directors of Dainichi-Sykes – a wholly British-owned subsidiary of the Yorkshire-based Sykes group – which imports Dainichi robots then designs, builds and sells automated systems to go with them.

Mr Tomlinson said yesterday that Dainichi had brought them on to its board to help with worldwide marketing and product development as well as to cement the relationship between the two companies. The companies are expected to set up a joint venture manufacturing Dainichi robots in Europe.

Dainichi-Sykes was formed in 1981 as part of a diversification by Sykes, which is a leading independent oil distributor.

It has two factories near Preston, Lancashire and has sold more than £1m worth of equipment in its first year, and is on target for sales of £3m to £4m this year.

Mr Toshio Kohno, aged 42, president and owner of Dainichi, stands out as an unconventional Japanese businessman. He dropped out of university, set up his own company at the age of 23 and went bankrupt at 27 before setting up the present operation.

He does not employ Japanese salesmen and has a policy of using other companies to sell his company's robots in overseas markets.

Mr Tomlinson said that one of the reasons for the board appointments was that Dainichi recognised a similar work ethic. "We've got the same kind of commitment and will to succeed, and the same sorts of demands for perfection," Mr Tomlinson said. "Dainichi-Sykes is my life. You'll often find the lights on here at 10 o'clock at night.

The Japanese connection also appears to have instilled an Oriental style propriety. Will the two men receive payments for being on the board? "I don't know. I haven't asked and would never think of asking," Mr Tomlinson said.

Labour in row over election leaflets

By Margaret van Hattem

THE LABOUR Party's organisation committee last night confiscated the campaign leaflets of Mr Peter Tatchell, the party's controversial left-wing candidate in the forthcoming by-election at Bermondsey, East London, on February 24.

The committee endorsed, by 11 votes to four, the action of Labour's national agent, Mr David Hughes, in cancelling Mr Tatchell's first campaign press conference, due to have been held yesterday morning. Mr Hughes had ordered that the leaflets be withdrawn.

The leaflets had been printed, against party instructions, by Cambridge Heath Press, a company controlled by the extreme left-wing Militant Tendency, which is in the process of being expelled from the party.

The candidature of Mr Tatchell has caused the Labour Party considerable embarrassment. At first, Mr Michael Foot, the Labour leader, said that he would not be endorsed as a party candidate because of his extreme views. However, after Mr Tatchell had been reselected by the local Labour Party, Mr Foot accepted him as a candidate.

Last night, there was no proposal by the party's organisation committee that Mr Tatchell would be dropped as a candidate, although it was suggested by some Labour MPs.

Mr Tatchell was due to have addressed his first public meeting last night, but was summoned first to a meeting with Mr Hughes and Mr Jim Mortimer, the Labour general secretary.

Power unions study water strike support

BY PHILIP BASSETT, LABOUR CORRESPONDENT

POWER WORKERS' leaders decided yesterday to consult their members on specific action in support of striking water workers. It was a move which clearly raised the prospect of disruption of electricity supplies.

Four unions representing 90,000 power workers agreed to set up procedures to monitor water use in power stations during the strike. The unions said the object of this action was to ensure that the Central Electricity Generating Board (CEGB) did not frustrate the effects of the water strike.

About a dozen of the CEGB's 99 power stations draw water from artesian wells because of the dispute. The stations have been shut since the strike started, and others have tankers standing by to provide fresh water. Unions believe others are recycling water to help conserve supplies.

While it is not yet clear what action power workers will take, one CEGB officials warned that even if they only insisted on doing no more than their normal work it could seriously threaten the national grid.

Power unions said that if their members were disciplined for taking supportive action, larger-scale retaliatory action would follow.

Mr Frank Chapple, general secretary of the Electrical and Plumbing Trades Union, said this would result in "actions of fairly substantial proportions by our members in defence of each other – and the consequences for the country could be dire."

The power workers' decision came as the National Water Council formally requested that the water pay dispute be referred to arbitration after the collapse of talks on Sunday over new proposals to increase earnings.

Officials of the Advisory, Conciliation and Arbitration Service (ACAS) who received the arbitration reference, are likely to call in the employers and the unions shortly – possibly today for more talks.

Michelin strike threat

THE MICHELIN tyre factory in Stoke on Trent yesterday introduced a new "continental" shift system despite threats of an all-out strike from next Monday.

The new system, which involves working three weekends in every four, directly affects only 250 employees in the lorry retread department, but has met with solid resistance from the unions which say it will ruin their family life.

Mr Gordon Howle, the works convenor, said yesterday: "There is a mass meeting next Sunday and the recommendation is for an all-out strike. The other 3,500 workers have already agreed to support any action the men in the department wish to take." The dispute could also spread to the other five Michelin plants in the UK.

The company said: "The present capacity of the plant is such that an increase in output cannot be achieved without changing the shift system." It added that the new system would bring increased earnings of £10 a week and create 40 new jobs.

Airport delays

THE HOME OFFICE is acting to reduce early-morning queues at immigration check-points at Heathrow Airport, London. Working shifts are to be altered to put more officers on duty between 6.45am and 9am.

The change follows representations to the Home Office from the English Tourist Board, acting on complaints from American holidaymakers and businessmen.

Free stopover

BRITISH AIRWAYS passengers to and from Australia will be offered a free stopover at any one of four cities en route. The airline is also offering a new, cheap one-way ticket to Australia.

The cheap ticket is a special homeward-bound fare for Australians, at £431 to Perth, and £453 to Sydney, Melbourne, Brisbane and Adelaide, for travel up to May 31. The stopover facility will be available at either Bombay, Kuala Lumpur, Singapore or Perth.

Ford mission

SENIOR executives of the Ford Motor Company, including Mr Bill Hayden, president of Ford Europe, will meet local authority leaders on Merseyside tomorrow in an attempt to allay fears that Ford intends to close its plant at Halewood, near Liverpool, with the loss of 12,000 jobs. Reports have suggested that Ford intends to switch production to Japan.

BICC jobs lost

BICC the cable and electrical group, is to shed at least 200 jobs across the board at its headquarters plant at Prescot, on Merseyside.

Rents rise forecast

RENTS for the best offices in the City of London are likely to rise by 10 per cent this year, according to a review of the office market by Richard Ellis, the property agents.

UK NEWS

Restrictions promised on telephone charges

BY IVOR OWEN, PARLIAMENTARY STAFF

BRITISH TELECOM (BT) is to come under stronger pressure to restrict price increases for telephone subscribers and it faces new limitations on its monopoly rights, Mr Kenneth Baker, Minister for Information Technology, announced in the House of Commons yesterday.

He made clear that the privatisation of BT – which is dependent on a Conservative victory at the next general election – would be followed by a period in which price rises for telephone subscribers would be kept below the level of inflation.

He said this objective was in line with the approach suggested by Professor Stephen Littlechild in his report published yesterday. The report examines the measures which could be taken to protect consumers from excessive charges for those services for which BT will retain a virtual monopoly until new sources of competition become established.

Mr Baker said that Professor Littlechild had recommended that, when BT became a public company, it should be obliged for five years to keep below the rise in the retail price index any increase in its charges for domestic rentals, local calls and other services of particular concern.

He told MPs: "The Government accepts this approach but will want to give further consideration to the range of services to be included within the price limitation, for example, charges for installation and trunk calls."

Mr Baker, who underlined that the period of the limitation had still to be decided, said: "It will be important that the precise formula should be seen to be soundly-based and fair both to the consumer and to BT."

He endorsed Professor Littlechild's view that competition offered by far the most effective protection against monopoly. He agreed that the price limitation proposals should be seen as a safeguard only until competition developed.

Mr Baker announced that other initiatives to widen the area of competition faced by BT would be embodied in amendments to the Telecommunications Bill now before a House of Commons standing committee.

Their effect would be to give subscribers with standard BT sockets the right, by the end of next year, to choose not to have their initial telephone supplied by BT. They would be free to purchase their first telephone from any supplier.

It was also intended that the maintenance of all new call-routing apparatus (internal exchanges) should be open to competition by persons approved by the Industry Secretary. BT would remain free to offer a maintenance service but on a fair commercial basis.

A further amendment to the Bill would provide for the licensing of those who maintained call-routing apparatus.

Mr Baker undertook to consult BT, the industry and other interested parties on the phasing-in of these arrangements, which he expected to be completed within three to four years.

Mr Baker emphasised: "The end of the prime instrument monopoly and of BT's monopoly over the maintenance of call-routing apparatus means that the entire market for new telecommunications apparatus will be open to competition."

Mr Baker also announced the Government's agreement to ease the restrictions on Mercury's supply of international services. He hoped to be able to make a further statement by the end of April.

Mr Stan Orme, Labour's Shadow Industry Minister, condemned "the effrontery" of Mr Baker over the timing of such major changes in the Bill. He called for the suspension of the committee stage so that there would be adequate time for the new amendments to be considered.

He claimed that the measures announced by the minister would endanger the jobs of thousands of BT workers and open the way for a flood of imports.

Mr Baker retorted that Labour MPs in the standing committee had been indulging in "an outrageous filibuster." He maintained that the amendments were being introduced at an appropriate time.

Minister defends Korean ship order

By Our Parliamentary Staff

THE GOVERNMENT yesterday defended a decision to place an order for a new ship needed by the Central Electrical Generating Board (CEGB) with a yard in Korea.

A cable ship needed for the 2,000 MW link with France will be owned by a private company and chartered to the CEGB, Mr John Moore Undersecretary for Energy told the House of Commons.

The order was used Mr Michael Foot, the Labour leader, to attack the Goverment's record in securing orders for British industry. Mr Moore said the CEGB was obliged to provide electricity as cheaply as possible. It was also aware of the Government's wish that it should buy British wherever possible.

The board had put out the contract to tender, but price differences were so great it had appeared inevitable that the order would go to a foreign shipyard.

The board, naturally concerned over this, then asked the firms to tender again, and expressed a clear preference – other things being equal – for vessels supplied by UK shipyards." The second set of tenders was headed by International Transport Management, of Middlesbrough, whose bid involved construction in Korea. Other bids were at least 50 per cent higher.

Even with Government assistance from the Shipbuilding Intervention Fund, the difference in bids would have been unbridgeable, Mr Moore added. He said the contract, for less than £10m represented 4 per cent of the cable contract.

Dr John Cunningham, a Labour spokeman, said it was astonishing that taxpayers' money should be spent in a Korean shipyard in the middle of the biggest shipbuilding slump this century.

RIVAL MOBILE PHONE SYSTEMS IN EUROPE

Radio decision wanted

BY JASON CRISP

Mr Kenneth Baker, Minister for Information Technology

BRITAIN's Department of Industry has become the centre of a political and technical debate which will have repercussions on the development of the major market for mobile communications in Europe.

The subject of the debate is the new cellular radio technology. Cellular radio is an ingenious system which allows the widespread use of cheaper and more reliable mobile telephones.

Cellular is expected to become a major international market. In the UK alone, it is expected to be worth £300m a year by 1990. The crucial question in Britain is *which* cellular radio technology to adopt? At stake is its export potential, for which some British companies have high hopes.

Cellular radio is expected to bring mobile telephones to a host of new users, including salesmen, doctors and veterinary surgeons, construction engineers, and journalists.

Britain and France have been having close discussions on the technology and there is strong pressure, political and commercial, for them to adopt the same system.

There are, however, five different systems, none of which has been developed by the British. The U.S. has adopted AMPS, which was developed by AT&T. The Scandinavian countries have a system called NMT which is in use in Denmark, Finland, Norway and Sweden. NMT has also been chosen by Austria, Benelux, Ireland and Spain.

Philips, the Dutch electricals company, has a joint-venture with CIT Alcatel of France to develop a system called MATS-E. In addition, Siemens of West Germany is developing another system, C900, and the Japanese have a system called NAMTS.

The British Government has been keen to see cellular radio introduced as soon as possible and has set a date of January 1985, which is when the allocated radio frequencies become available.

Last year, the Government selected two groups to operate competing cellular radio networks: Sectel, a joint venture between British Telecom and Securicor, and Racal-Millicom. The latter is a joint venture of Racal, Millicom, a U.S. company, and Hambros Advanced Technology Trust.

Racal, which had to compete with two other consortiums to become the second supplier, proposed to use a Millicom-adapted version of AMPS. Securicor is also known to support AMPS.

When Racal won the right to supply the second UK system on December 16, the Government did not specify which technology was to be used. The two consortiums were asked to agree on a system.

Last month, it is believed, the two consortia agreed to accept AMPS. But if Britain adopts AMPS, it could very well be on its own in Europe, which would then split into two or three different systems.

Last year, the French had begun to put pressure on the British to adopt MATS-E, the system in which CIT-Alcatel had an interest. The problem with MATS-E is that it only exists on paper and cellular radio systems take a long time to develop and involve complicated computer software. The British said no because it would not be ready in time.

In the last few weeks the French have decided they want cellular radio to begin in January 1986 and they recognise that MATS-E would not be ready even the. France also appears to have accepted that MATS-E would not provide any significant export potential.

The third major element is the nordic countries. Late last year the telecommunications administrations in Finland, Sweden, Norway and Denmark realised that they were being outmanœuvered by commercial and political interests and no one was presenting the merits of NMT to Britain or France.

The heads of the four telecommunications authorities wrote in December to Mr Kenneth Baker, UK Industry Minister, and to the head of French telecommunications. They pointed out NMT was the largest (30,000 subscribers) and fastest growing system in the world, that the specifications were freely available to manufacturers without licences and that the system was being adapted to the frequency adopted by the British and French (900 MHz).

They made a strong plea for European unity in mobile radio systems and pointed to the wide market which would be available. If Britain and France adopted NMT it would almost certainly become the European standard.

The French, strongly opposed to the U.S. system, are believed to be favouring either NMT or the rival Siemens' system. The British, who remain strongly in favour of AMPS because of its export potential to the large U.S. market, are also reviewing NMT and Siemens C900.

The British are under strong pressure to come to a quick decision – although the French are believed to think the January 1985 starting date is impractical.

Minister visits Shannon freeport

By Brendan Keenan

SHANNON airport, on the west coast of Ireland, has become a centre of attention for visitors from the UK anxious to see how it operates as a freeport.

Mr Jock Bruce-Gardyne, a UK Treasury Minister who is head of a government working party on freeports, and members of the House of Commons committee on Scottish affairs have been among recent visitors.

A freeport is a trade zone exempt from customs duties and tariffs. A business set up as a freeport pays no duties on imported raw materials, provided they are re-exported. There is increasing interest in Britain in freeports as a way of attracting industries, although the Customs and Excise has expressed opposition.

Shannon was designated as a free zone in 1958 and it was intended to provide general industrial employment in the area with the airport serving as a nucleus. It has its own development agency.

Although Shannon has been affected by the recession, the airport and surrounding industries still employ 87,000 people. A scheme to provide the Soviet airline Aeroflot with maintenance and refueling facilities is proving highly successful.

Ireland's membership of the European Community means that its free zone benefits are now extremely limited, but its development agency maintains that the designation is a valuable marketing tool.

This point seems to have impressed the British visitors most, and the Scottish MPs concluded that Shannon could serve as a model for Prestwick airport in southwest Scotland, which has been suffering from a lack of use by transatlantic air services.

The port of Felixstowe in Suffolk, and Aberdeen and Birmingham airports have also been suggested as possible freeports.

THE MANAGEMENT PAGE: Small Business

How Mike Hamlin took off on the back of a tax allowance

BY TIM DICKSON

A PILOT'S uniform hanging on the back of the office door of Hamlin Aviation's managing director says much about the company's operational style. For while Mike Hamlin spends most of his time selling the services of his air chartering business to new customers it is a mark of the company's flexibility that he is ready in any emergency literally to step straight out of his office and into the cockpit.

With chief pilot, Peter Roberts, responsible for day-to-day administration and secretary cum stewardess, Susan Walker, as comfortable filling in VAT forms as she is preparing in-flight refreshments, Hamlin Aviation is clearly run as a very tight ship. It has to be.

After all, the company competes in a cut-throat industry in which many of Hamlin's rivals are subsidiaries of big businesses which for perfectly good tax reasons barely have to cover their costs.

This is because aircraft, like many items of capital equipment, qualify for 100 per cent "capital allowances" and can be written off entirely in the first year. As a result many big groups buy private aircraft primarily as a tax "shelter"—then hire them out to other users at seemingly uncommercial rates when they are not needed by their own executives.

Against this background Hamlin Aviation's sales and air taxi operation has not only survived, it has thrived. For thanks in very large part to the low overhead structure of the business, turnover has taken off from £45,000 in the first full year of operation in 1978 when Hamlin was still a feelance pilot to around £740,000 in calendar year 1982.

Hugh Routledge

Mike Hamlin: his airline has very small capital requirements since the six aircraft in his fleet are owned by other companies—which benefit from the tax allowances available

Intensive

A key feature of Hamlin's success to date is the fact that the company has needed very little capital. In any case he had little money to spare at the time he started the business in 1977, shortly after getting married, but it is also true that he deliberately set out to avoid involvement with any venture which was capital intensive. ("I had seen too many people get their fingers burnt in his way," says the man who left Group Lotus, where he was aviation manager, shortly before it was given a £2½m capital injection by American Express.)

Hamlin has been able to build up his fleet of four Beechcraft King Air and two Cessna aircraft for the simple reason that they are owned by other companies. This is a perfectly sensible strategy since the owners—mostly small private companies—get the 100 per cent tax offset against gross profits and will settle for a consequently lower return on their investment.

Hamlin Aviation, meanwhile, earns its income through a commission on aircraft sales and, more important, by operating the fleet and taking a cut from the proceeds of each flight. Most passengers are businessmen anxious to get quickly from A to B within Europe, though out of the ordinary assignments have included flying Sun newspaper photographers over Liverpool to film the Toxteth riots and ferrying the Williams Grand Prix team to European events.

The idea of running other people's aircraft on a group consultancy first came to Hamlin when working as a freelance pilot after his departure from Lotus. A flight had to be cancelled because of an electrical failure but sitting beside the "duff" aircraft was an identical model owned by another company. He quickly phoned that company's managing director and suggested that if the two planes were run together money could be made and downtime reduced.

Of the six aircraft he operates today, one is for Tembo Records, the production company of Roger Whittaker, who Hamlin takes on his North American tours.

Hamlin says he learned about the need for careful costing when he was a freelance. "Two companies gave me the task of looking after the administration of running their aircraft and I managed to reduce their costs considerably. I became one of those habitual bar proppers who kept telling everyone why aircraft were being operated inefficiently and in the end it was because of this that I decided to have a go myself."

Hamlin Aviation operates from extremely modest premises at Leavesden Airport, just outside Watford. The office and "departure lounge" are both rented — the latter being housed in a Portacabin which cost £500 to refurbish. "Most of my competitors have expensive fixtures and fittings. I think this is unnecessary and just a waste of money. We only have three full-time staff with the other pilots hired on a freelance basis.

"There is a company up the road not much bigger than we are which has over 40 employees."

This absence of "fat" is obviously to Hamlin's advantage in his fight to stay in business. "As a small company, I feel that President Sadat's observation of the Arab-Israeli conflict is appropriate. The Arabs can lose once, twice, even ten times but the Israelis can only lose once."

Hamlin's biggest problem is that his company is very much at the mercy of outside influences. It is outsiders who put up the capital for his aircraft and last year, for example, he "lost" one aircraft. This was a direct result of Nigerian exchange controls—the company in question could not get its money out of the country and therefore needed to realise its asset.

Diversify

Shortly afterwards Euro Exhaust, an established customer, was taken over by Kwik-Fit which moved the plane to its head office in Scotland.

As one of Hamlin's competitors points out: "Being in this business is a bit like playing chess. But not only do you have to be at least three moves ahead, you have to cope with an invisible hand which is likely to take pieces off the board and even move the squares around."

Hamlin realises the need to diversify. He has decided to tap the company's existing expertise and has won consultancy contracts to develop the civil airport at Manston in Kent into an international air freight terminal and, on behalf of a UK haulage company, to study the costs of starting a night freight service. Neither, you will note, involves any capital outlay.

In brief . . .

RETAILERS which do a small amount of mail order and suppliers of specialist items are among small businesses which could benefit from a recent extension of the Royal Mail's parcels contracts service.

Businesses now need only send 1,000 parcels a year, or four or five each working day, to qualify for a contract. Special facilities include an account with the Post Office, so that customers are billed regularly rather than paying for each item separately (alternatively they can have their own pre-paid franking system). In addition weighing and pricing of parcels can be done on a company's own premises and regular collections will be made by the Post Office.

Further details can be obtained from head post offices. Telephone numbers appear in local telephone directories under "Postal Sales."

●

"MICROCOMPUTERS and the Small Business"—an evening course running for four evenings from Monday February 14—will take place at Brooklands School of Management in Surrey. The cost is £32. Topics to be dealt with include microcomputer "jargon," problems associated with their use and some typical applications. Contact Mike Tredgett or Rod Lambert at Brooklands Schools of Management, Heath Road, Weybridge, Surrey KT13 8TT. Tel: Weybridge 53300, Ext. 280.

●

DETECTING the symptoms of approaching distress is the theme of an afternoon workshop "How healthy is your business?" arranged by the London Enterprise Agency on February 18.

Too often, says LenTA, small firms leave accountants to do their books and they tend to provide mainly historical data that fails to reflect a current, sometimes deteriorating trading position.

A management team specialising in financial control will be on hand to discuss how terminal dry rot can be diagnosed and what to do if it has already taken hold. The cost of the session is £25 plus VAT. Contract Peter Lovell, LenTA, 69 Cannon Street, London EC4. Tel: 01-248 4444.

Some big advice is lined up for the small man

A free corporate consultancy is rare, but Newham has one

ON HIS own admission Mike Burke knows much more about making bedroom furniture than he does about the way to distribute the finished product to his clents.

As boss of Meritrealm, an East London business bought from the receiver by a handful of its employees in November 1981, he was only too delighted therefore, when a local expert in transport costs was able recently to give him some useful tips.

But contrary to what might normally be expected, the "counsellor" in this case is neither a professional management consultant nor the representative of a nearby enterprise agency.

John French is, in fact, the full-time managing director of transport company, J. Spurling, part of the publicly-quoted Transport Development Group. And what makes his action all the more surprising is that he was prepared to give up a morning to help out a fellow businessman.

French is just one of several senior executives from big companies who have agreed to participate in what is an unusual new scheme being run by the London Borough of Newham. (It is not unique: the London Borough of Hammersmith has been operating a scheme along similar lines.)

The council official behind the Newham project is Tom Brandon, himself a former company director but now the enthusiastic industrial and co-ordination officer based at the Town Hall.

Brandon's new Business Advice and Consultancy Service—available to all small firms in the area—is really an extension of the information and counselling service which has been operating in Newham for some years and which has counterparts provided by local authorities up and down the country.

Where the consultancy service is special is its ability to draw upon the wealth of professional expertise already existing within Newham which has not been available hitherto because of high consultancy fees.

Hugh Routledge

Tom Brandon: a former company director who is now Newham's enthusiastic industrial and co-ordination officer

For in recent months Brandon has persuaded several senior and well qualified managers from local companies such as Crosse and Blackwell, Hedges and Butler, Loders and Nucoline, Tate and Lyle Refineries and Wiggins Teape to make themselves available to lend his "clients" a hand. Experts include a micro-computer specialist, a structural engineer, an accountant and a marketing man.

"We have done 12 consultancies so far but what I am finding is that the donors are getting as much enjoyment out of this as the recipients," says Brandon. "The idea is that they should go for a day or a half day at first but already people are volunteering to go back."

Brandon stresses that the service is not available to firms which he reckons can afford to pay for a professional consultant. He also intends to make sure that big companies should not use the service as an opportunity simply to market their own product or service. (The computer expert, for example, is a Tate and Lyle man.)

The scheme's growth is particularly significant given that the growth of enterprise agencies, as reported on this page two weeks ago, is slowing down because of a shortage of qualified secondees to staff them.

Why should French and people like him want to help? "It was a fairly simple exercise for me to show Mr Burke how to calculate the costs of operating his own vehicles and the costs of hiring," he explains. "I told him to find out the peaks and troughs of his business and buy only enough equipment to meet orders when demand was at its lowest.

"Newham Council has been good to me and I like returning their help. I also like operating in an area that is prosperous. Of course, it is not entirely altruistic. You never know what will come back if you cast your bread on the water."

Burke — whose company started off with 10 employees but is now up to 30 after first year sales of £750,000—says that following the exercise with French, he now has an accurate picture of how much it costs to distribute to various parts of the country. "There were a lot of areas where we were not doing things properly. He was able to pinpoint them very quickly."

Tim Dickson

BUSINESS OPPORTUNITIES

UNIQUE BUSINESS OPPORTUNITY

TOP ITALIAN FIRM WITH 30 YEARS EXPERIENCE

in: Production, Design and International Marketing of PVC profile for all types of windows, doors, partitions, shutters (for new buildings or renewal).

OFFERS

- Cash support for initial period
- Promotional budget
- Percentage

TO CAPABLE INDIVIDUAL OR ORGANISATION

With some experience in sales – sales organisation and management – contacts with the building industry – ability to reach the private sector. Willing to undertake the task to set up UK sales operation.

All enquiries to:
Pierre Forlani Edil-Plastix
2 Cornwall Road
TWICKENHAM TW1 3LS

Laser Sailing Products Trademarks and Manufacturing Rights

Manufacturing and Marketing Licence, Europe and Middle East, available for all Performance Sailcraft 'Laser Products'. These include the popular Laser single-handed dinghy, the two-person Laser II, the Laser Rowing Shell and the single and double Kayaks, the Surfspring and Funbird Sailboards, together with all related parts and accessories.

It is probable that, for an appropriate purchaser, existing key staff will be available. A valuable network of dealers is in place throughout Europe. All manufacturing know how, moulds, plugs, etc., can be included in the asset package.

For additional information on this attractive investment opportunity please contact: Mr L. Zurick, 1 Puddle Dock, Blackfriars, London EC4V 3PD, 01-236 8000.

£50,000 INVESTMENT REQUIRED

Expanding Electronics Manufacturing Company (related to music industry) with large potential requires equity/loan capital with or without management participation

Apply to Company's Auditors:
Messrs Hardcastle Burton, 7 Baldock Street, Royston, Herts

MICROCOMPUTER MANUFACTURING FACILITY NEEDED

U.S. company needs an established British partner to manufacture a fully developed microprocessor system to supply E.E.C. markets. Modest capital is required and the prospective partner must have an efficient electronic assembly capability.

Contact:
M. B. Evanoff, 17 Bulstrode Street, London W1M 5FQ.

INVESTMENT

ATLAS COMPUTER CONSULTANTS LIMITED

This national consultancy company, with its unique computerised information retrieval library is seeking additional capital to carry it through the next stage of its development

All enquiries, in strictest confidence to:
Maurice R. Hamlin
Managing Director
Atlas Computer Consultants Ltd
Manchester Road, Bolton BL2 1EX
Tel: 0204 24117

BUSINESS OPPORTUNITY

Our clients are interested in hearing from principals of businesses with a proven record as a supplier to major chain stores. If you have profits in excess of £100,000 pa and would like to realise your assets.

Contact initially:
Mr A. C. Hamilton
BINDER HAMLYN
7-15 Lansdowne Rd, Croydon CR9 2PL

STAKE REQUIRED IN LISTED COMPANY

Successful, imaginative, business men, with proven track record and large market following seek substantial stakes in public listed companies—up to £5 million available for suitable situations. Principals only, unless agents have written authority.

*Write Box F3748, Financial Times
10 Cannon Street, EC4P 4BY*

UK DISTRIBUTOR REQUIRED

An electronic system with granted British patent and established sales to major customers in the HEAVY GOODS VEHICLE MARKET is offered for distribution in the United Kingdom.

Applications are invited from Companies already successful in selling equipment to OEM and Operators in this market

*Principals only please reply to:
Box F3723, Financial Times
10 Cannon Street, EC4P 4BY*

"Sleeping Partner"

£500,000 required for working capital in highly profitable property development scheme. Experienced developer owns site and can provide other securities.

Further details apply:
FIFIELD GLYN
061-832 8559

INTERESTED IN SPONSORSHIP

NETWORK TELEVISION COVERAGE ASSURED

for an international motor race in June. Available for sponsorship

*Contact Box F3753, Financial Times
10 Cannon Street, EC4P 4BY*

GOLD AND GOLD SHARES

Subscribe to Tony Henfrey's Gold Letter. Twelve pages which tell you everything about gold and gold shares. Including when to take your profits.

Telephone or write:
TONY HENFREY'S
gold letter

Freepost, 20 Southampton Place, London WC1A 2BQ. Tel: 01-405 1526

PROPERTY FINANCE

Long Term Interest-only Institutional Mortgages now available at

$12\frac{1}{2}$% p.a.

Secured on good quality commercial and industrial properties for investment or owner occupation. Minimum loan £100,000. No endowment or pension policies required.

Seymour Adelaide & Co. Ltd.
88 Baker Street, London, W1
Tel: 01-935 2382

SENIOR FINANCE DIRECTOR F.C.A.

Many years City and practical experience on large and small company boards. Has philosophy of friendship, integrity and hard work. Wants non-executive board or advisory positions for companies in City, Berkshire, Hampshire, Surrey, Sussex. Has good references.

*Write Box F3743, Financial Times
10 Cannon Street, EC4P 4BY*

Translations, Legalizations

by German academic
Bad Soden/Ts.
Tel: 06196/24742

PRIVATE INVESTOR WANTED

Small London manufacturer and exporter needs £20-£30,000, with or without working involvement. Latter welcomed. Substantial minority equity, possible eventual control. Quality products of own design. Expected sales 1983 £300,000-plus

*Write Box F3754, Financial Times
10 Cannon Street, EC4P 4BY*

CHAIRMEN/CHIEF EXECUTIVES

Chartered Accountant with many years City and International board experience and excellent knowledge of financial institutions available to assist in non-executive director capacity or on assignment basis.

*Telephone 09904 4258 or
write Box F3752, Financial Times
10 Cannon Street, EC4P 4BY*

£100/£150,000 AVAILABLE

to invest, preferably as a sleeping partner, in an old established London based firm of Estate Agents with a strong professional bias. Or a private or public insurance brokers, which must have a good track record. Principals only, in strict confidence.

Write Box F3742, Financial Times
10 Cannon Street, London EC4P 4BY

TYRES & TUBES

FOR EXPORT MARKETS

Specialising in African and Third World Countries

Write Box F3687
Financial Times
10 Cannon Street, EC4P 4BY

MIDDLE EAST

Experienced businessman orientated in Middle East commerce for many years, well travelled, will act as REPRESENTATIVE/CONSULTANT for British companies

Leaving March

*Write Box F3682, Financial Times
10 Cannon Street, EC4P 4BY*

CAPACITY REQUIRED

Light Engineering

Research and Development/Marketing company requires a sub-contractor for production of established consumer durable (£500,000 T/o). The ideal company will have tube bending, press and assembly capacity and some experience with light alloys.

Write Box F3751, Financial Times
10 Cannon Street, London EC4P 4BY

LEASING

OUR EQUIPMENT LEASING FACILITIES PROVIDE OUR CORPORATE CLIENTS WITH:

TAX EFFICIENT - RAPID PAYBACK
SECURE - PROFITABLE BUSINESS

For details of how Equipment Leasing can be tailored to your company's forward planning please contact:

John Lenton, Managing Director
AITKEN HUME LEASING LIMITED
15 Christopher Street, London EC2A 2HA
or Telephone: 01-377 1040

CARPET
OF INTEREST TO CINEMA AND BINGO HALL COMPANIES

Due to cancellation, carpet manufacturer has available approximately 5,000 yards of Brush Red blue stripe Wilton carpet as used in 125 Inter City carriages. The material has 80% wool 20% nylon pile and is available in widths from 15½in to 25in. Ideal for use between seats and aisles. Minimum order 500 yards

PRICE FROM £2.49 PER LINEAR YARD TO CLEAR

Details and samples available from
TANKARD CARPETS LIMITED
York Mills, York Street, Fairweather Green, Bradford
West Yorkshire BD8 0HR - Tel. 0274 495646

D.I.Y. & HARDWARE PRODUCTS

Successful DIY/Hardware Marketing Company with extensive national retail distribution seeks manufacturers who need to expand their distribution into this lucrative market with minimum investment in marketing and sales.

*UK & Overseas manufacturers should write to Box F3750
Financial Times, 10 Cannon Street, London EC4P 4BY*

£1.5 MILLION SHORT TERM BANK GUARANTEE REQUIRED

by UK leisure company, secured on overseas property, London, valued at £3.05 million. Consider mortgage or other options. Interest and/or equity participation offered. Principals only.

Write: M. Fitzpatrick F.C.A.
Jolliffe, Corke & Company, Chartered Accountants
6 West Parade, Wakefield WS1 1LX

YOUR OFFICE IN LONDON

Superb Mayfair location. Personalised telephone, telex and mail service. £28.50 per month or to include occasional use of private office £62.50 per month. Secretarial, commercial, word-processing facilities, etc. also available. Similar service in New York.

For details telephone
LLOYD ADAMS 01-499 0321
*or write Box F3590, Financial Times
10 Cannon Street, EC4P 4BY*

UP TO £5,000,000 AVAILABLE

IN ANY MULTIPLES

to purchase property investment companies and property trading companies (not residential) anywhere UK. Shares or assets purchased, all propositions fully considered. If necessary transactions can be concluded fast. Adequate funds available. Fees paid and agents retained where necessary

DOMINION INTERNATIONAL LTD
642 Oldham Road, Failsworth
Manchester - Tel: 061-681 8853
Telex. 668893

OPPORTUNITY FOR PRODUCT DISTRIBUTORS

A leading U.S. manufacturer of high speed automated and manual precision electro-mechanical equipment with international sales—service network is seeking additional industrial products to distribute. Opportunity for an established company to expand business and production.

*Principals please write Box F3733, Financial Times
10 Cannon Street, London EC4P 4BY*

INVESTMENT CAPITAL NEEDED

to exploit new foolproof security systems for credit and id cards, access control

Considerable potential in both medium and high security markets

Ring 01-272 5384

MARKETING/SALES SERVICES

This new company would be interested in talking to potential clients in the petro chemical power and allied industries with a view to representation. Contacts throughout industry. Distribution also considered. Capital available.

Situated SE England

*Write Box F3740, Financial Times
10 Cannon Street EC4P 4BY*

FINANCE DIRECTORS ARE REMINDED

that under S74(3) CAA 1968 taxable profits of the preceding year may be set against any excess of IBAs in the current year.

Please instruct your Professional Advisers to ask for our

2nd IBA LIST

where each of the industrial estates has the benefit of a 25 year leaseback either to a Public Company or to a Local Authority

EDWARD ASH & CO - 01-352 4877

PATENT AND KNOW HOW LICENSING

Qualified Technical Director of medium-sized international public trading and manufacturing group for 29 years, offers experience in technical developments, patents, trade marks, legal and especially joint ventures, licensing, particularly North or South America, EEC and Eastern Europe, either full time or part time on any reasonable basis. Financial participation possible. Fluent German, reasonable French, some Italian

Willing to travel anywhere

*Write Box F3643, Financial Times
10 Cannon Street, EC4P 4BY*

INVESTORS SOUGHT

Qualifying Company with established record in Property Timeshare Development seeks £100,000 Capital to expand business.

Details from:
RALPH & COMPANY
Solicitors, 19 Frances Street
Truro, Cornwall

MUSICAL HIT

Financial backing for the Kings Head Theatre's smash hit musical comedy "MR CINDERS" is being sought for West End transfer. Attendance at Kings Head is causing building to burst at seams!

Call Producer's Office
01-226 0364

OUR CLIENT, A MEDIUM TO LARGE ELECTRICAL CONTRACTOR

Located in the City of Edmonton, Alberta, Canada, with branches in Calgary, Alberta, desires to sell all or part of its operations. Gross sales of this company are under \$10m and thus does not fall under the FIRA regulations. Management will remain for three to five years.

For further information contact:
Mr E. T. Mowbrey, Partner
Mowbrey Stout, Chartered Accnts
9644-54 Avenue, Edmonton, Alberta
Canada T6E 5V1 - (403) 437-1010

Electronics Company

SEEKS
ADDITIONAL PRODUCTS FOR MANUFACTURE

Experienced in wide range of instrumentation/process control
Temperature measurement/power supplies
M.O.D. approved
Located South Coast

*Write Box F3747, Financial Times
10 Cannon Street, EC4P 4BY*

SUBSTANTIAL PROPERTY COMPANY

Offers good reward for introductions to viable ventures in the commercial, industrial and residential fields, preferably South of Manchester.

Adequate funds to deal with any proposal

*Write Box F3745, Financial Times
10 Cannon Street, EC4P 4BY*

TURKEY
BLOCKED FUNDS WANTED

For state approved investment in local projects. Offers, please in strict confidence, of funds available, and rates of exchange against spot sterling payable through London bankers to.

*Box F3721, Financial Times
10 Cannon Street, EC4P 4BY*

GRANTS/LOW COST LOANS

Companies considering investment projects within the UK during 1983 are invited to contact us for professional advice and guidance in identifying and negotiating support from the UK government and the EEC.

EUROFI (UK) LIMITED
25 London Road, Newbury
Berks., RG13 1JL
Tel: Newbury (0635) 31900
Telex: 849791 Eurofi
Or Tel: 076727 680 or 022 30969

CHAUFFEUR-DRIVEN CARS ON CONTRACT

We supply chauffeur-driven cars for the business week at all inclusive rates — on contract

LEAVE THE PROBLEM TO US
WYNN-SAVILLE LTD
16-17 Radley Mews
London W8 6JP - Tel: 01-937 4586

Have you considered being trained for a career in film production?

THE NATIONAL FILM & TELEVISION SCHOOL

is offering a full time course commencing September 1983 in Production Management and Producing. Suitable applicants are likely to have had administrative or organisational experience or a business, legal or accountancy background.

Prospectus and application form from:
Admissions Office
National Film & Television School
Station Road, Beaconsfield
Bucks HP9 1LG
Deadline for applications March 12th

Franchising will get you into business

- Conference for people looking for a franchise. Holiday Inn, London NW3, March 12.
- Magazine and directory with the best franchise businesses.

JAMES HOUSE, NOTTINGHAM RD
LONDON SW17 7EA
TEL 24HR 01-767 1371

BLANK VIDEO TAPES for export, min. 1000 pcs or more. X-RAY FILMS, Agfa, Kodak, Du Pont for Export. Offer to VGW GmbH, Geibelstr. 41 D-3000 Hannover 1. Tx. 923338 vgw d.

MECHANICAL HANDLING COMPANY in the North of England requires Agents to sell conveyors and general fabrication work. Good commission. Tel: 061 789 8265.

JEANS/SHIRTS

Advertiser has following goods to offer strictly subject to being unsold: 75 000 stone-washed jeans, 14 oz weight. 180,000 men's polyester/cotton shirts (plain colours). 250,000 men's straight leg corduroy trousers. Price £1.65 cif UK port, customs cleared, net plus VAT. Payment by irrevocable letter of credit at sight. All goods of EEC origin. Genuine buyers only please, no time-wasters.

Write Box F3746, Financial Times
10 Cannon Street, London EC4P 4BY

CASH FLOW PROBLEMS

Substantial Funds available for any proposition with potential

Write Box F3738, Financial Times
10 Cannon Street, EC4P 4BY

Readers are recommended to take appropriate professional advice before entering into commitments

BUSINESSES FOR SALE

ATCOST

The Atcost Group comprises divisions specialising in concrete and steel fabrication and the manufacture and erection of concrete and steel frame buildings for industrial, commercial and agricultural applications. Group turnover for the year to September 1982 was £16.8 million.

There are concrete manufacturing plants at St Ives (Cambridgeshire) — a freehold of 14 acres — and Bishop Auckland — freehold 7 acres, together with a steel fabrication factory at Eastleigh (Hampshire) — leasehold. The group has substantial design and development resources. Head Office premises are at Tunbridge Wells — (leasehold).

For further information please specify your interest, preferably in writing, to:
P R Copp, FCA Joint Receiver and Manager
Tel: 01-486 5858

Stoy Hayward & Partners
44 Baker Street, London W1M 1DH.

COUNTY COMMERCIAL CARS PLC
COUNTY COMMERCIAL ENGINEERS LTD.
COUNTY COMMERCIAL POWER DRIVES LTD.

The receiver of the above public company and subsidiaries seeks offers for the businesses of the above, which includes design and manufacture of County equal and unequal four-wheel-drive tractors for agricultural and industrial use.

- Four wheel drive conversions for the Ford Transit vehicle range.
- UK distributorship of low ground pressure vehicles.
- Subcontract assembly of crash tenders.
- Subcontract engineering.

County have worldwide distribution outlets and have exported to approximately 50 countries.

Turnover for 1982 was in excess of £10 million.

For further information, please contact:
MAURICE WITHALL
THORNTON BAKER
Fairfax House
Fulwood Place
London WC1V 6DW
Telephone: 01-405 8422
Telex: 28984

Victoria Hotel, Aberdeen

Situated in a valuable central trading position close to the railway station and just off Union Street. This hotel, comprising over 100 bedrooms with cocktail bar, dining room and three function suites catering for 1,000 patrons.

The turnover of the hotel is apparently averaging £12,000 per week.

The property is freehold and the current rateable value is £30,830 per annum.

Interested parties should contact:
Cork Gully
D. J. Watt,
126 George Street,
Edinburgh,
EH2 4JZ.
Tel: 031-226 2595

Pre-Cast Concrete Manufacturers

Derbyshire

Specialist pre-cast concrete manufacturers (nominated CLASP supplier) and tiling contractors for sale. Annual turnover in excess of £650,000. Several major contracts in progress. Approved suppliers to various local authorities. The company operates from a freehold site and has approximately 50 employees.

For further information contact
John Salmon,
Telephone Ripley (0773) 47284

Spicer and Pegler
Chartered Accountants
INTERNATIONALLY SPICER AND OPPENHEIM
Clumber Avenue, Nottingham. NG5 1AH

Intercobra Limited, Glenrothes, Fife.

The assets and goodwill of this leading manufacturer of precision plastic components for a growing market in the medical device industry are for sale.

With facilities for extrusion, injection moulding and vacuum forming, the business also has a wide customer list for plastic packaging for food and other industries.

Enquiries to Mrs A.N. Condick, CA, at
Deloitte Haskins+Sells
29 Abercromby Place, Edinburgh EH3 6UE.

ENGINEERING COMPANY FOR SALE
Birmingham

Well established profitable engineering company available for sale to include associated company. The company has a wide customer base and is engaged in all types of precision engineering.

1981/82 £350,000 external turnover, net profit before tax and Directors Remuneration £102,000.

Offers in excess of £265,000.

For further details apply in first instance to:
R. A. Lea and Co, 56 Newhall Street, Birmingham B3 3RJ

FOR SALE AS A GOING CONCERN
AMEAL TRADING AS MAVERICKS

Receiver offers for sale the business and assets of this American-style fast food restaurant in the heart of the Nottingham city shopping area, seating for 150 customers. Assets include leasehold property, trade fixtures, equipment, fittings and stock. Turnover approx. £200,000 per annum.

Interested parties please contact:
MR J. S. TWIGG
THORNTON BAKER
Enfield House
18 Low Pavement
Nottingham NG1 7DL
Telephone: 0602 56041

OAKLEY BATTERIES
West Midlands

Manufacturer of lead acid batteries from leasehold premises in Wolverhampton and Harlow, Essex.

Latest annual turnover approximately £1.5 million.

Enquiries to: P.E. Baldwin, FCA,
Receiver and Manager, Price Waterhouse,
Livery House, 169 Edmund Street,
Birmingham B3 2JB.
Price Waterhouse

HI-TECH ENGINEERING COMPANY

with established multiple product lines seeks to merge into or sell to larger company

ROBOTICS APPLICATION ENGINEERING

one of most recent technology developments
Heavy experience in export market

Write Box G8693, Financial Times, 10 Cannon Street, EC4P 4BY

Hydraulic Hose Distributor

The business and assets of HAP Hydraulics Ltd are for sale.

- Major distributor in Southern England and Midlands of hydraulic and industrial hose, gear pumps, motors and ancillaries supplying OEM's and service depots.
- Turnover approximately £1,5 million per annum.
- Main depot Littlehampton, branches in Brighton, Worthing, Fareham and Coventry.
- Total staff of 22.

Further information:
C Morris, Touche Ross & Co.,
Hill House, 1 Little New Street, London EC4A 3TR.
Telephone: (01) 353 8011.

Mergers and Acquisitions in the USA

A service to UK companies interested in acquiring a substantial U.S. Corporation

A British company, British staffed, USA based, we will locate businesses for purchase

For further details, principals only write to:
British American Consultants
Suite 403, 1665 Palm Beach
Lakes Blvd, West Palm Beach
Florida 33402, USA
Telex: 510952 7646

British American Consultants

Miller

CORNWALL

Attractive well landscaped north Cornish Holiday Park
SET IN 8 ACRES

Overlooking coast and large estuary close to one of Cornwall's premier resorts. Comprising 22 luxury holiday bungalows, 24 static caravans and touring park with leisure facilities and amenities including swimming pool with barbeque area, reception offices and shops, launderette and games room, bar, dance area, children's play area and self-contained owner's luxury 5-bedrm. accommodation. Very good turnover, high profit margin. Ideally suit large family or small holiday group. Sensibly priced at £565,000 SAV. Ref: H.106. For details please apply: Miller and Company, Princes Street, Truro. Tel. Truro (0872) 74211.

Business transfer & hotels
Mansion House Princes Street Truro.
Telephone Truro (0872) 74211

MEDIUM SIZE ENGINEERS' PATTERN SHOP

Situated Leicester Central

Freehold modern single storey workshop, 4,200 sq ft, fully equipped. Easily adaptable for allied trades.

Principals only apply to:
Box FT/784, c/o St James's House
4/7 Red Lion Court, Fleet Street
London EC4A 3EB

BUSINESS FOR SALE

RETAIL FURNITURE BUSINESS IN THE WEST MIDLANDS

3 well positioned large units, 1 freehold, good warehouse support staff. Set up seven years ago with the express intention of being sold in 83/84 to allow the owner to emigrate.

*Write Box G8687, Financial Times
10 Cannon Street, EC4P 4BY*

DEPARTMENT STORE FOR SALE

FREEHOLD
in WEST COUNTRY
MARKET TOWN

*Write Box G8891, Financial Times
10 Cannon Street, EC4P 4BY*

LINCOLNSHIRE GARAGE FOR SALE

TURNOVER £1.3 MILLION

Cars, petrol, showrooms, workshops and offices

*Write Box G8689, Financial Times
10 Cannon Street, EC4P 4BY*

NORTHAMPTONSHIRE GARAGE FOR SALE

TURNOVER £2.4 MILLION

Cars, petrol, showrooms, workshops and offices

*Write Box G8688, Financial Times
10 Cannon Street, EC4P 4BY*

RETAIL BUSINESS FOR SALE

PRIME LOCATION
MAJOR TOURIST CENTRE

Catering to overseas and local shoppers, ideal opportunity for existing chain involved in China, gifts or clothing to add to its profits

*Write Box G8690, Financial Times
10 Cannon Street, EC4P 4BY*

TECHNOLOGY

EDITED BY ALAN CANE

FOCUSED ION BEAM OFFERS NEW CHIP MANUFACTURING POSSIBILITY

Towards the chip that is shaped to fit

BY LOUISE KEHOE IN CALIFORNIA

TECHNOLOGY, not just economic pressures, will drive the changing structure of the U.S. semiconductor industry. Emerging chip production techniques that promise simplified and highly automated processing of silicon wafers together with computer aided design systems will enable a broad range of chip users to make their own devices rather than buy them from merchant vendors, U.S. experts predict.

By 1990, custom designed chips (tailored to fit a particular application) will dominate the semiconductor market, replacing the standard chip designs of today, according to Mr John Shea, president of the Technology Analysis Group (TAG), San Jose, California, and a consultant to the U.S. Department of Defence.

TAG undertook a study of focused ion beam technology as part of its contract with the Defence Department.

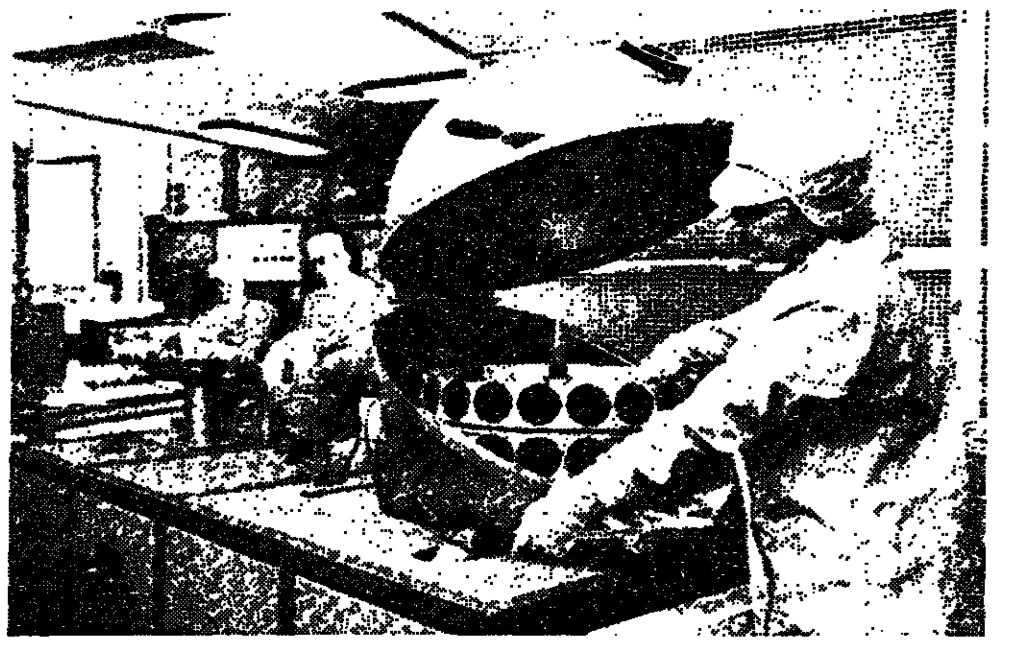
He sees standard chip designs, such as microprocessors, that can be made to perform a wide variety of functions using software programs, being replaced by chips that are customised for each application.

The design of custom chips, according to Mr Shea's scenario, will be performed on computer aided design systems. Then, he sees the computer being hooked up to a "focused ion beam" (FIBS) processing system that will churn out the chips with little human intervention.

FIBS are currently in the early stages of development, but several U.S., Japanese and European companies are experimenting with prototype systems. Varian has produced models for research and development work, Hughes Aircraft and Bell Laboratories are also active in the field. In Japan, Hitachi, Mitsubishi and Jeol are involved. Interest is increasing in ion-beam systems as its potential becomes recognised.

This new technology for chip production promises to reduce dramatically the cost of a semiconductor production facility by cutting out several of the 40 or more process steps that go into making an integrated circuit chip today.

Mr Shea believes that FIBS is the "most significant processing development for the semiconductor industry since metal oxide silicon technology was introduced." That is an extravagant claim, but FIBS certainly may become important agree engineers at Hughes and Varian where research and development projects into FIBS are underway.



Humans are still needed for operations such as loading and unloading the silicon wafers during the various stages of the chip making process. However the introduction of focused ion beam machines could cut the number of workers dramatically

The ion beam process is conceptually similar to electron beam direct write on wafer methods—today's most advanced method of scribing circuit patterns onto a wafer of silicon. With FIBS, however, ions instead of electrons, are accelerated through a series of focusing electrostatic lenses onto the wafer. Potentially, FIBS can not only perform the pattern making lithographic process, but follow up with ion implanting to form transistor junctions.

As a lithographic system, FIBS offers finer sub-micron line widths because it eliminiates the proximity effects (backscattering) inate in electron beam systems. In the role of a microbeam implanter, FIBS would provide minimum feature sizes of 0.25 microns—less than half the smallest sizes achieved using other methods. This opens up the way to "silicon systems"—chips containing many, if not all, of the functions of an electronic system. It may also fulfil the dream of "wafer integration"—larger slabs of silicon containing several connected circuits.

But FIBS is slow. Throughput is estimated at five to 10 times slower than a direct write electron beam system. That doesn't matter, claims Mr Shea, because the yield of good chips per wafer will be 300 per cent higher.

Still, FIBS is never likely to be suited to production of "jelly bean" standard chips made in high volume because of its low throughput. The obvious application is in custom chip production where the number of chips needed is relatively small—and that is where Mr Shea sees the industry going.

FIBS production systems will be much cheaper than currently used equipment, he predicts. Although the system will cost several million dollars (an R and D version costs $2m according to Varian) that is cheap compared with the $40m to $60m cost of equipping a chip production line with conventional equipment. "The cost per function of producing integrated circuits will be reduced by as much as 3,600 per cent, TAG estimates.

Key to the cost effectiveness of FIBS is that potentially it can reduce the number of processes involved in making chips to about 20 instead of 40 using conventional methods. That cuts out a lot of equipment, space and personnel. Indeed, Mr Shea forsees a time — in the mid-1990s — when mobile chip production units will be feasible.

Such mobile units could, for example, be used in the field by the military to produce replacement parts.

The lower cost and space requirements of chip production are also expected to encourage more electronics systems companies to set up their own chip production capability.

What does that mean for semiconductor manufacturers? Mr Shea takes the extreme view that there will be little need for "standard" chips by the end of this century. TAG points to the increasing interest in custom designed chips among semiconductor makers and also to the "silicon foundry" role which many chip makers are playing.

Will custom circuits become the standard approach for electronic systems design? Opinions differ within the industry, and all agree that such changes in direction will not happen quickly. In the meantime, increasing sophistication in computer aided design and the use of "cell libraries" containing pre-designed circuit elements will herald the availability of automated production.

FIBS must go through a lot more development before it becomes a real production process. Some of the critical problems include the development of an ion source that is suited to the system and the *further development of high* voltage electronics devices to control a high energy ion "beam."

Meanwhile, the U.S. defense community is anxious that FIBS should be protected as a critical technology. "Fifth generation computers, as well as national defence issues are at stake depending upon how FIBs technology is exploited. There will be international implications involved to control the flow of FIBs technology into the commercial marketplace," says TAG.

BUSINESS EQUIPMENT MARKET

Whisper Writer set to attack the decibels

BY GEOFFREY CHARLISH

THE TEXT transmission market in the UK has been entered by 3M with a near-silent terminal product called Whisper Writer.

The launch is part of a new year attack on the business equipment market in general, with products ranging from electronic microfilm indexing machines to versatile group two and three facsimile machines for office use.

Whisper Writer is not much bigger than a small typewriter and in its portable version weighs about 20 lb. It can, with relaxation of the BT monopoly position, be plugged directly into a telephone jack socket, after which text can either be typed directly to line or can be stored for a later editing session and then sent automatically.

The unit has the necessary V21 modem circuitry built in. Alternatively, it can be supplied with a V24/RS232 interface for direct connection to an external modem or to an acoustic coupler.

Of interest is the fact that in its country of origin, the United States, the unit can be connected directly to the national (TWX) telex network (although not directly to the international telex network).

The present arrangements for this country will entail pre-connection over a telephone line to a telex bureau, where messages will be switched into the national/world-wide telex network of some 1m subscribers. A number of leading UK telex bureaux will soon be offering these facilities says 3M.

Inaudible

However, in its other mode (use over the public phone system), Whisper Writer's transmission speed is several times faster than telex and there can be direct terminal-to-terminal communication. Messages would normally be typed into the solid-state store, which can hold three A4 pages of text. After on-paper editing, depression of a button sends the text to the dialled number of a similar machine.

The thermal printer used to compile and receive text works at 40 characters per second and is almost inaudible.

Price of the machine is £755, or in the portable form £1,050 (with both acoustic coupler and hard-wire connection facilities).

At the same moment, 3M has introduced two new digital facsimile machines that can communicate with any group two or three CCITT transceiver, the transmission speed being chosen automatically.

The more sophisticated of the two, the EMT 9160, costs £4,250 and is able to produce a high resolution A4 image in as little as 35 seconds. In addition, oversize originals can be reduced to standard A4 size during the transmission process. Definition is sufficient to ensure accurate transmission of detailed drawings. Transmission speed is up to 9600 bits/sec, but the quality of the phone line in use is monitored and the speed reduced for poor lines.

The EMT 9160, equipped with integral automatic document feed, can also automatically answer calls, day or night, receive the copies, cut them to length and stack them neatly, without operator intervention.

A machine with rather less automation, the 9140, is available at under £2,000. One of its abilities is to accept character transmissions from devices such as word processors and send them in FAX mode. More on 0344 58473.

Process control

Coatings tests

A COLORIMETER for non-continuous use in process control is being offered for less than £1,000 by Sheen Instruments. The instrument, developed for testing paint and surface coatings, uses a search unit which incorporates a tungsten filament lamp, a photocell sensor and six colour filters which are rotated in turn.

It is recommended for use in a variety of industries, including food, beverages, oil and textiles, and enables the colour of products to be recorded without adopting expensive and sophisticated techniques of instrumental colour matching.

The company is at 9 Sheendale Road, Richmond, Surrey (01-940 1717).

Input

Security information

PERCEIVING THAT many of its customers need market information in a more easily manipulated form than a screen display, the Stock Exchange has launched new services designed to allow direct input of securities information to the customer's computer.

There are two new computer readable services—the hot line providing continuous read-out of prices and value line giving bid and offer prices updated four times a day.

The customer can dedicate a computer port to the new service or simply dial-up when the information is needed.

The customer can use the electronic information in any way he wishes — information systems, research analysis, portfolio evaluation and so on.

Mr Alan Currie, senior marketing coordinator for the new services sees them as a logical extension of the exchange's TOPIC computer-based information service now two-and-a-half-years-old with some 1600 terminals in service. More information from Alan Currie on 01-588 2355 x 8177.

Monitoring

Sensitive paints

TEMPERATURE-SENSITIVE paints and strips, for use where the monitoring of surface temperatures is required, are offered by S.D. Special Coatings. They are designed to change colour at specific temperatures with an accuracy of plus or minus 1 deg C.

One use for the paints and strips is security marking. Where there is a question over ownership, the application of heat causes the marker to make a specific colour change known only to the owner. More than 20 paints are available in a variety of colours. Details from the company at Fresh Wharf Estate, Highbridge Road, Barking, Essex (tel: 01-594 4373).

Terminals

Space saver

A LOW-COST space-saving terminal weighing only 14lbs is offered by Geak UK. The 401 Informer terminal measures 13in x 14in with a screen size of 9in that allows for a displayable character reading of 128 with an addressable/readable cursor. Prices start at £700. Further information from Bill Ross on 01-828 5235.

THE ARTS

Or Shall We Die?

Dominic Gill

'Party tinsel' of Berkeley and McEwan

The horrors of nuclear war have finally become a smart art event. All the best people crowded to the Festival Hall on Sunday night to hear elfin, bespectacled author Ian McEwan join talents with pretty, gamin broadcaster Michael Berkeley at the premiere of *Or shall we die?*—an oratorio for Soprano and bass soloists, mixed choir and symphony orchestra, commissioned by the London Symphony Chorus, and performed by them with the LSO under Richard Hickox, which takes as its subject one of the most urgent, burning issues of our time and reduces it to the intellectual and musical consistency of party tinsel.

Or nearly so. McEwan is a gifted and stylish writer, and such was certainly far from his intention. Read together with the eloquent introductory essay with which he prefaces the published edition of the oratorio's libretto (Cape, £4.95), his words carry a real thrust of sincerity and a powerful ring (oversimplified as it may be) of truth. Little poems about the iniquities of war which do not very successfully match their talent to the magnitude of the subject are easily branded as marginal and indulgent; but McEwan is right, and brave, to insist that although public opposition has had only minimal effect on policy, "its importance is greater than its effect—for that opposition represents all the hope there is."

A stylish composer, however, Michael Berkeley is not—unless the word may be used to describe a musician equally at home in every half-digested style but his own, which is the one style that remains to be discovered. His music for *Or shall we die?* is a mish-mash of half-cocked pastiches piled up, layer upon layer, with dizzy, and it would appear with dizzyingly unselfcritical, abandon. At best it lights on one or two quite pleasing illustrative or imitative effects: the chilly blips of a radar scanner; the obvious irony of putting the words "With God's blessing we deliver this bomb" to cod four-part hymnody; the perfectly acceptable, though hardly original, idea to set a Blake stanza in the style of a Bach chorale.

At worst it is insensate gush, melodically and harmonically undistinguished, and of anguishing predictability. That was bad enough, but forgivable: bad art is no crime. Wholly unforgivable, however, was Berkeley's sugar-cake and Brahms-iced setting of McEwan's central section: the bleak and terrible account by Mrs Tomoyasu, in her own words, of the death in her arms of her burned and skinless daughter in Hiroshima in 1945. To make art out of horror is nearly, but not quite, impossible. To sentimentalise it is merely obscene.

Vocem/Bloomsbury Theatre

Andrew Clements

The second event in the New Macnaughten's music-theatre festival brought to the Bloomsbury Theatre the extremely talented group Vocem. This is more than just another motley collection of singers who get together sporadically to explore vocal techniques. Beginning as students, they have remained together under the direction of Alan Belk to become a highly responsive unit, carving out an individual repertory for themselves and presenting it with commitment and great musical conviction.

Yet only one work on Saturday evening made full use of their precious capabilities—Berio's *A-Ronne*, given in the version for five actors of 1974 which pre-dates the more famous one written for Swingle II. It has stayed the course so far rather better than many of Berio's verbal collages of the 1960s and early '70s. As Vocem eloquently demonstrated, the skilfully woven tapestries of texts and quicksilver changes of manner and mood convey vitality and impact. Here every inflection, every hoot and shriek matters; to go back afterwards to the record of the piece by the Swingles was to find something slick and anodyne, a saccharine confection of little compulsion.

Alan Belk appeared as the solo protagonist of Roger Marsh's *Dum*, a "vocal percussive fantasy" that welds together some unlikely texts (by Emerson, Donne, Rossetti and Rupert Brooke) into an outpouring of anguish. It is delivered by a workman brandishing a hammer, who punctuates his diatribe with violent blows and explosions of frustrations. As a tour de force Mr Belk delivered it with great gusto, but there seemed to be no more to it than that, save the unlikely confrontation of beautiful verse and strident delivery.

I fear Steve Stanton's *Andante Cantabile* doesn't transcend this simple physical excitement either. A shady, mean-looking narrator (played by Roger Marsh) delivered a polyglot commentary on the state of things to a background chorus of six voices got up to look like refugees from a Beckett play. There are references to Dante and Virgil, to E. M. Forster and inevitably to Beckett himself. There is no resolution, just an impression of frenzied hopelessness; the vocal writing is complexed, but not striking in shape or relevance. Yet Vocem is an adventurous group which must be allowed its occasional miscalculations if it can strike the bullseye with as much effect as it sometimes demonstrated here.

National Theatre's first production of 'The Rivals'

The National Theatre is to present its first production of *The Rivals*, Sheridan's comic exposé of Georgian society set in Bath. It is to open in the Olivier on April 12.

The cast includes Tim Curry (Bob Acres), Michael Hordern (Sir Anthony Absolute), Geraldine McEwan (Mrs Malaprop), Edward Petheridge (Falkland), and Philip Talbot (David).

The director is Peter Wood.

Stafford-Clark stays on at Royal Court

Max Stafford-Clark has agreed to continue as artistic director of the English Stage Company at the Royal Court Theatre for a further three-year term.

His production of *Top Girls* by Caryl Churchill is currently playing to capacity audiences at the Public Theatre, New York. He is now redirecting the play with a new American cast to open at the Public in March.

Marlborough Fine Art/William Packer

Acclaim for Frank Auerbach

The best paintings by a living artist, currently to be seen in London is now in its last week at Marlborough Fine Art (until February 11); and it is very much our good fortune, and even something to our credit, that the artist is an Englishman, if only by adoption. Frank Auerbach came to England in 1939, an eight-year-old refugee from Berlin, and today he is the visible denial of the common and cherished belief that the visual artist, can never flourish among our myopically philistine nation. He is not at all alone in this, rare only in his distinction: philistine and half blind we may be, but perverse too, and our art schools, of which he is so fine a product, continue to do better by us than we either suspect or deserve. Our community of artists is remarkable in its collective achievement and would now be the envy of the world if we ever cared to proclaim it so. And Frank Auerbach (and not only he) would be an international figure and a true star.

I doubt that he has worked all these years to achieve that particular apotheosis; and indeed he has done well enough as it is, with all his shows and retrospectives, and the respect he enjoys within the closer English art world. But it is one thing for him to remain indifferent, his ambition centred upon the work itself; quite another for us to extend to him a broader indifference in failing to acknowledge him at his true worth. The fault is ours, and present cultural preoccupations, fads and circumstances do nothing to make it any the less serious.

For he happens to be that hottest of currently hot speculative properties, an expressionist, a true one at that, and has been so these thirty years past, working at it steadily, seriously and with honourable ambition. At a time when we have been much, perhaps too much taken with more fragile foreign talents and their too rapid, ill considered, unresolved and arbitrary production, marketed as they have been internationally with great skill and energy, it is salutary to be brought back to first principles by the consideration of such honest, sound, brave and beautiful things.

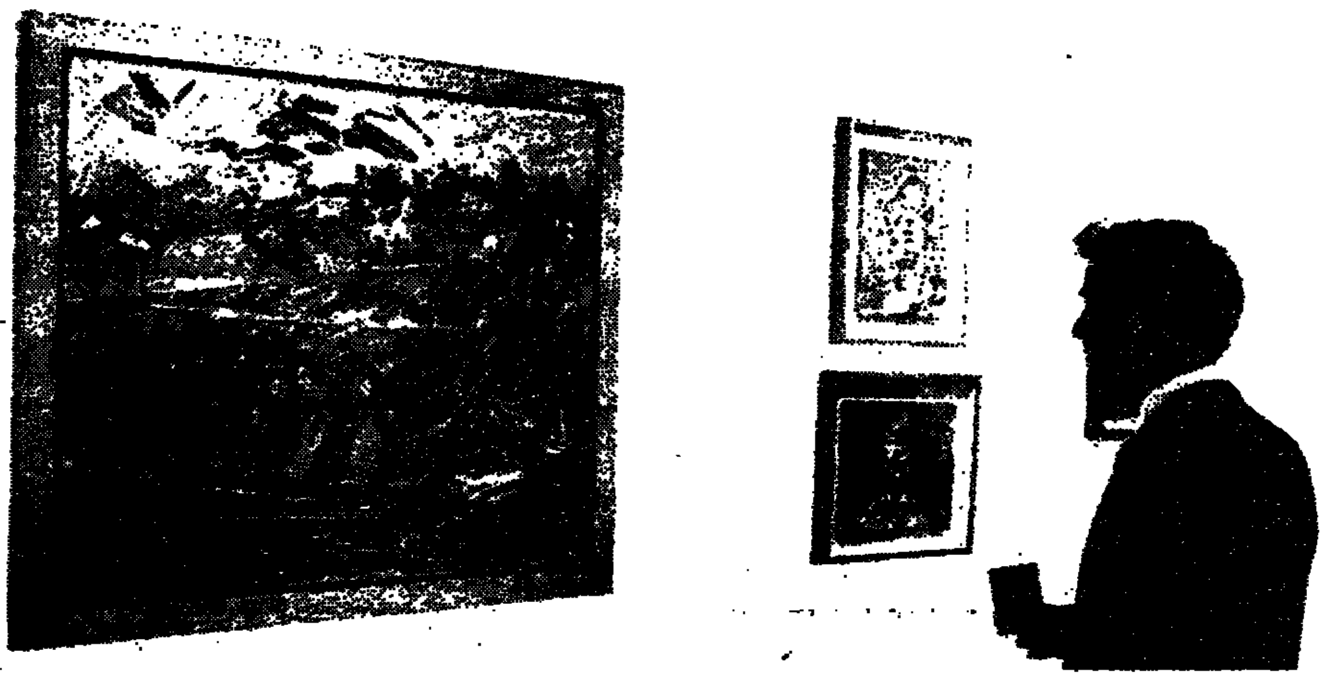
Expressionism is fundamental to all painting in some degree, for all that finally it may be hidden or suppressed: for the painter must make a mark, his mark, and by the magic of the process such a mark is at once itself and, a trigger to the imagination, something else. The relation is between fact and image, between the trace of action, which is both stuff and record, and the new and entirely insubstantial suggestion and reference. The trick, of course, is to strike some resolution, but there is no formula for finding the point of balance between the two. The emphasis may be here or there, and even adjustable somewhat according to the predisposition or immediate interest of the viewer. The painter works by touch, instinct and experience, the completion as likely to be a resignation and leaving-off as a triumph.

Each mark, each gob of paint in its particular consistency and suspension is unrepeatable, each moment irretrievable: and the mixture will not always rise. The excitement comes when it does, but both the experience and the stimulus defy analysis. All we can say is that there is no great painting which is all image, however so striking, elevating or seductive it may be; and none, on the other hand, which is all stuff and surface, however rich and beautiful.

It is easy enough for the painter to strike attitudes, to declare himself, to dissimulate. A large canvas of itself is impressive and portentous, and to cover it with paint, even to the barest adequacy, requires a certain effort and manual demonstration. The shock received from a crude and empty image is real enough, though the effect is gratuitous, local and temporary. We have to trust ourselves to recognise the real thing.

Frank Auerbach's paintings are nothing if not physical. The paint is dense and heavy in itself, rich if sombre in its colour, dark in its tone, the whole surface thickly overlaid and deeply scored, mark upon and into mark. The atmosphere is heavy with a kind of physical desperation, insistent and cumulative, as though the artist must return again and again, and yet add nothing to such a mass. It is hard at first to get beyond the sheer fact of the paint, all stuff and no suggestion indeed. But the appearance is deceptive, and slowly the painting begins to resolve itself before our eyes, the image, the face or the landscape, emerging out of the surface of which it is so manifest a part, substantial yet curiously free. The mood even lightens as this begins to happen; and we realise that what we thought to be desperate is not so at all, but rather is an intensive process towards an acceptable statement of the image, each successive essay more simple and decisive than the one it overlays and supersedes. There is a swiftness and a lightness to these paintings the more astonishing for being at first so unexpected.

In them all, image and fact are inseparable, mutually dependent, and each has its particular history buried within itself, accretions of experience. There is nothing fashionable about these paintings, nothing in the least of opportunism: but they are appropriate to the moment, nevertheless, as modern as we might wish for, and a reproach to lesser artists besides. Auerbach has been painting his friends, working from the figure, looking out on Primrose Hill and the streets of Camden Town, for all his painting life, and doubtless he will continue so, desperate only to get the painting right, to make the picture work. We celebrate him here not for his modernism, nor even for his ambition and painterly adventure, but for the honest, unaffected excellence of what he does. These are paintings for great and lucky collections.



The Frank Auerbach exhibiti on at Marlborough Fine Art

Boyle Memorial/Covent Garden

David Murray

Sir Edward Boyle was, among many other things, an educated music-lover, and there is now a Memorial Trust bearing his name which will be "devoted to the advancement of education, learning and music." For a gala concert in aid of the Trust on Sunday, several distinguished musicians appeared on the stage of the Royal Opera, among them Dame Janet Baker, who introduced the others and after the concert was herself presented with the Standard Special Award for Opera. No music by Boyle's beloved Fauré was included, but the programme offered other substantial rewards.

By way of recalling Boyle's links with the young competition-generation, we had two prizewinners from recent Leeds contests, the violinist Vanya Milanova and the pianist Kathryn Stott. They were eager in the little Brahms *Sonatensatz*, merely sincere in a Mozart concerto-movement (the Adagio K. 261, not very effective with piano-reduction); Miss Milanova glittered — granted the odd slip—in the "Caprice Basque" by Sarasate. Dame Janet was joined by Murray Perahia for five Schubert songs, among them a restrained but fervent "Junge Nonne," a muscular "Musensohn," and "Who is Sylvia?" delivered like a hymn of national pride.

The Amadeus Quartet opened and closed the programme with Mozart. First there was the "Dissonance" Quartet, K. 465, which found them in their best conversational form—no extra swoops or effusions, simply pure musical dialogue between players who know the work through and through. Later the balance altered in the G minor Piano Quartet, for Murray Perahia played so exquisitely that the Amadeus members allowed themselves to become collective accompanists, as agog as the rest of us were to hear what he would draw out of the music. Some phrase-ends trembled on the brink of extinction, which might be accounted too precious; but almost anything could be forgiven for a sensibility so acutely attuned to Mozart.

Peter Coe appointed to Bromley

Peter Coe is to be the new artistic director of the five-year-old Churchill Theatre in Bromley. He takes up his position alongside theatre director Ian Watt-Smith who leaves the theatre in April.

'Dream' to transfer to Lyttelton

Bill Bryden's Cottesloe production of *A Midsummer Night's Dream* is to transfer to the Lyttelton. Its first performance there is on April 13. As at the Cottesloe, Susan Fleetwood plays Titania, Derek Newark Bottom, and Jack Shepherd Puck.

Ashton ballets Covent Garden

Clement Crisp

Lord Berners was a most gifted man, whether as composer or author, and the centenary of his birth this year should remind us that his music and his writings were admirably made as well as effortlessly witty. That he delighted in a sly teasing of the world cannot disguise the fact that his novels—his fantasy about Cleopatra, *The Romance of a Nose*, does everything that the current lumpen television series fails to do as entertainment—and his music were formed by a genuine and elegant talent. So it is good that for the revival of *A Wedding Bouquet* (for which Berners provided score and design) Sir Frederick Ashton has restored the choral setting of the text. Gertrude Stein's words, well sung by the Covent Garden chorus, are clear (which is more than can be said for the poems in *Les Illuminations*, also in this Ashton programme, which I found inaudible at both performances on Saturday), and the texture of the score is much enriched.

A Wedding Bouquet is, as ever, a delight on this return, but it is as if the bolder sonorities of the score have inspired a more sharply drawn and slightly more rumbustious danced interpretation. Characterisations are vivid—Michael Batchelor outstanding as the mysteriously soaring Guy; Rosalyn Whitten revelling in every classical cliché as a sublimely vapid Bride on Saturday afternoon—and vigorously played.

Judith Howe at the matinée, Jennifer Penney in the evening, were Josephine, both delicious in their cups; Miss Howe turned one of the tables into a battlefield and then decided she was a roguish sphinx; Miss Penney took off on a little journey with ice-bucket and bottle in wide-eyed search of adventure. The excellent bridegrooms were Derek Deane, an apotheosis of shiftiness and sleek, paper-thin charm, and Michael Coleman, Chaplinesque, wonderfully nippy in steps and in constant anticipation of hand-cuffs. All in all a very happy event.

Underneath its jokes, *A Wedding Bouquet* is, like the best farces, cast-iron in construction, sure in its choreographic patterns. So, in its very different way, is *Rhapsody*, which is the heart of this new programme. It could be argued that there is a much larger ballet inside *Rhapsody*, occasionally showing in the vistas of grandeur that are implicit in some of Ashton's choreographic procedures as he adjusts his dance incidents to the brief forms of Rakhmaninov's Paganini variations.

Each of the six attendant girls has an elliptic but telling solo moment, here is a world of feeling in the 'vision scene' preceding the main pas de deux (to that lush tune everyone knows) when the male dancer approaches in turn each of the soloist girls as they stand, hand masking face, then dismisses them before finding his ideal—the ballerina, who stands on the inner stage—and leading her into the central duet.

On Saturday afternoon Karen Paisey made a charmingly youthful and alert debut in the ballerina role, with Stephen Beagley in the virtuoso part created by Baryshnikov. Where Baryshnikov jack-knifed into the dance, sporting and revelling in its quick changes of accent and direction, Mr Beagley skims and flashes, and makes his own honourable statement.

In the evening, new casting brought Wayne Eagling as the hero, Merle Park as the ballerina. Mr Eagling has the measure of the role, dynamically and emotionally, with the sinuous speed to dart in and out of the choreography and still keep his energies and his nerve unimpaired. It was a fine performance, and no less so Miss Park's authoritative way with her dances.

And in the *Voices of Spring* lollipop which Ashton made for these same artists in the Royal Opera's *Die Fledermaus*, their dancing was glossy, totally apt. At the matinée Ravenna Tucker and Julian Hosking made their débuts in it, with Miss Tucker so light and pretty, so vernally radiant that she truly seemed a voice of spring.

Rosemary Squires/Purcell Room

Kevin Henriques

Promoter Michael Webber's jazz concerts on the South Bank are generally modest but satisfying affairs in which the best of British instrumentalists from the main stream of the music are presented simply but effectively. Until last Saturday singers have been conspicuously absent from the programmes which is both strange and also a great pity because there are a goodly number of British singers whose ability and repertoire include the kind of material suitable for inclusion at a jazz evening.

Listeners to late night radio will be able to name several candidates. Little doubt that one of the most qualified is Rosemary Squires, as she proved on Saturday, backed by the Eddie Thompson trio. From her early days, which began in the era of the "Six-Five Special" television show, she has ploughed a lone furrow, resolutely sticking to the type of quality standards usually associated with stylish singers. Yet, though there is an engaging softness and creaminess in her voice which has a distinctive, immediately identifiable timbre, there is not sufficent elasticity in phrasing or emotional depth to classify her as a jazz singer.

The nearest she came on Saturday was during two impressive duets with pianist Thompson, "Here's that rainy day" and "I get along without you very well."

With her bubbling, sunny personality Rosemary Squires seems happier with faster tempos, though personally I could have done without her choice of "Give a little whistle"! But in her treatment of another unpromising tune, "Music, maestro, please" she endowed it with a thoroughly new and uncontrived freshness.

Not for the first time Eddie Thompson showed impeccable appreciation of the accompanist's role. His dynamics always superbly judged, in his featured spots (backed by bassist Len Skeat and drummer Jim Hall with their customary attentiveness and enthusiasm) he displayed his dazzling virtuosity which, for this listener at least, never palls, whether it be the Garnerisms, the fugal flights of fancy, the humorous quotes or simply keeping time with his right hand while busily improvising with his left at the bass end of the keyboard.

Seattle presents 'The Ring'

To celebrate the centenary of Richard Wagner's death, Seattle Opera will again present the Pacific Northwest Wagner Festival production of *Der Ring des Nibelungen* in its ninth consecutive season. The production will be presented in German the first week (July 23, 24, 26 and 28) and in English on August 1, 2, 4 and 6.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

February 4–10

Opera and Ballet

VIENNA

Raimundtheater (576826): Die Graefin Mariza (Daily except Mon).

Staatsoper (5324/2655): Le Nozze di Figaro, Falstaff, ballet: Daphnis and Chloe. The Firebird On Wed and Thur the opera is closed for the Opera Ball.

Volksoper (5324/2657): Der Fremdenführer, Die Fledermaus, Die Feenkönigin, Der Vogelhändler, Die Lustigen Weiber von Windsor.

LONDON

Royal Opera, Covent Garden: Samson et Dalila, Saint-Saëns' opera in its visually alluring Covent Garden realisation, has Jon Vickers and Shirley Verrett (gripping actors, flawed but commanding singers) in the title roles, and Georges Prêtre as conductor. (2401066).

English National Opera, Coliseum: A week heavily dominated by Slavonic opera – Tchaikovsky's Queen of Spades, in David Pountney's grotesque misrepresentation of a production, and a revival of Boris Godunov, in pure Mussorgsky guise – Aage Haugland takes the great title role, Elgar Howarth conducts. Gounod's Romeo and Juliet, with John Treleaven and Valerie Masterson its lovers, rounds out the repertory. (8363161).

Royal Opera House, Covent Garden: Sleeping Beauty (Tue and Thur).

New Sadler's Wells Opera, Sadler's Wells, Rosebery Avenue: Further performances of The Mikado and Lehar's Count of Luxembourg.

Valerie Masterson: in Romeo and Juliet, Coliseum, London

BRUSSELS

Théâtre Royale de la Monnaie: Zimmerman's Die Soldaten with the Frankfurt am Main Orchestra conducted by Michael Gielen (Wed).

WEST GERMANY

Berlin, Deutsche Opera: A new Götz Friedrich production of Die Tote Stadt by Wolfgang Korngold featuring Karan Armstrong and James King in the main parts. Der Freischütz is a fresh and delightful revival. Hans Neuenfels, the producer of Macht des Schicksals, caused a scandal by sending acolytes on to the stage in tanks. However, singers Julia Varady and Giorgio Merighi were well received. Further performances are Madame Butterfly and Tosca with an all-Italian cast. (34381)

Hamburg Staatsoper: Der Fliegende Holländer produced by Wieland Wagner, Theo Adam in the title role. Johann Christian Bach's Amadis – rediscovered after 200 years – had its premiere here this season. It is produced by Marco Arturo Marellis, conducted by Helmut Rilling and features Helen Donath and Doris Soffel. Lucia Popp triumphs in the part of Susanna in Die Hochzeit des Figaro. The Magic Flute, an ultra-modern production by Achim Freyer had a mixed critical reception. (35151).

Frankfurt Opera: The week starts with Carmen. Gail Gilmore did justice to the title role, though Franz Grundheber is only adequate in the part of Escamillo. Un Ballo in Maschera is conducted by the Young American Judith Somoghi. The Brussels National Opera Ensemble offers Charpentier's rarely-played Louise with Felicity Lott in the title role. (25621).

Stuttgart Württembergische Staatsoper: is offering the complete Jean Pierre Ponnelle Wagner cycle. This week a revival of Die Walküre conducted by Gustav Kuhn with outstanding Wagner tenor Peter Hoffmann and Catarina Ligendza. Also Rigoletto and Der Troubadour with an all-Italian cast. (20321).

Munich Bayerische Staatsoper: with Spas Wenkoff and Gwyneth Jones. Don Carlos has Margaret Price as Princess Eboli. Der Barbier von Sevilla is well worth the effort. (21851).

ITALY

Rome, Opera House: Idomeneo and The Nutcracker.

Milan, La Scala: Ballet Lieb und Leid to music by Mahler.

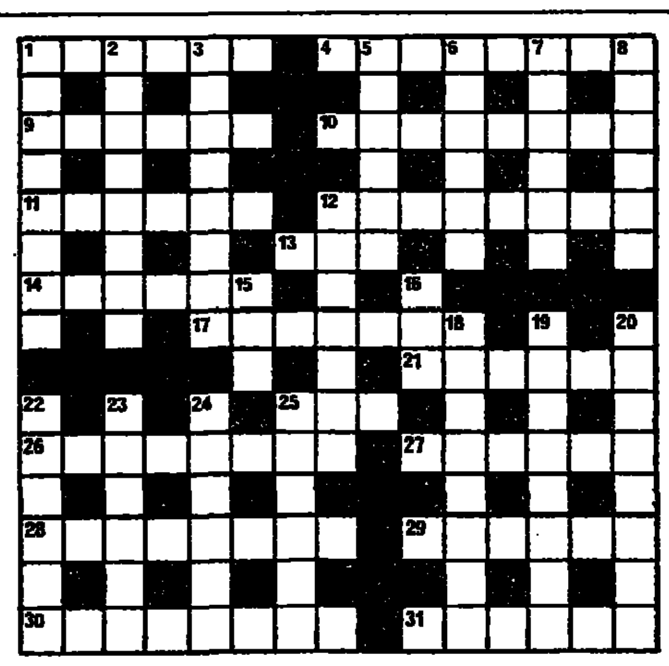
NEW YORK

New York City Ballet (New York State Theater, Lincoln Center): The season continues with the mixed repertory including works by Jerome Robbins, Peter Martins and company head George Balanchine. (8705570).

Don Quixote (Uris): Rudolf Nureyev, who staged and choreographed this full-length Boston Ballet production, will dance the role of Basilio opposite three ballerinas sharing the role of Kitri: Eva Evdokimova, Laura Young and Marie-Christine Mouls. Nicholas Georgiadis designed the scenery and costumes in the style of the cartoons and paintings of Goya. Patrick Flynn conducts the Symphony Orchestra in John Lanchbery's arrangement of the Minkus score. The final matinee scheduled for February 6 will be the production's 100th performance.

Dana Reitz and Dancers (BAM, 30 Lafayette Av, Brooklyn): Quintet Project and a world premiere in mixed programme. (6364100)

F.T. CROSSWORD PUZZLE No. 5,092



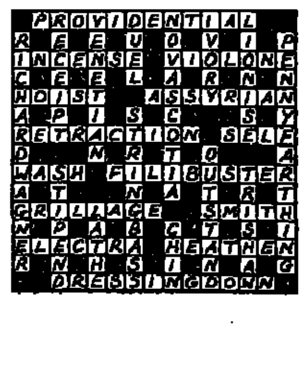
ACROSS

1 Straightforward form of credit (6)
4 He had a model mother (8)
9 Where a girl is turned back after six (6)
10 The way in which one may charm (8)
11 Frustrated cast? (6)
12 We are its ruin, so to speak (2,2,4)
13 Social crawler (3)
14 Don't jump at the chance (6)
17 Having developed, went round topless! (7)
21 Wish to reside in style (6)
25 Bottom, for example, of a ship (3)
26 No tears when the tenant doesn't pay up (4-4)
27 The price of freedom? (6)
28 Involved in a score or film story (8)
29 Russian leader made his mark about fifty (6)
30 From the soil we'll get mineral deposits (3-5)
31 They also multiply, naturally (6)

DOWN

1 They share an item in a geometry set (8)
2 Says something quickly and staggers away (5,3)
3 To put it briefly, cheat the stupid (8)
5 He's not disposed to be fair (6)
6 The way a sailor puts up beds (6)
7 Lingerie that is not here to stay (6)
8 Smoking jacket? (6)
12 Break down in the course of an investigation (7)
15 She's always cut short (3)
16 Married mid-week? (3)
18 Indeed not all went (8)
19 So devils reform and disappear (8)
20 Public transport stops here when time runs out (8)
22 Poster designed quickly (6)
23 Girl has the French rising temper (6)
24 A past love, far from extinguished (6)
25 It ensures a good reception for some speakers (6)

Solution to Puzzle No. 5,091



FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday February 8 1983

A formula for deregulation

MRS THATCHER'S government believes that competition is the most effective means of protection against monopoly. In its approach to telecommunications the aim has been to extend and widen the areas in which British Telecom (BT), the dominant supplier, is exposed to new competitors.

The speed of liberalisation has disappointed some of the potential new entrants, but the direction is right. There is, however, an important part of BT's activities — the supply of telephone services to domestic and small business subscribers — where a monopoly is likely to persist for some years. The Government has been trying to devise a method of regulation which will ensure that BT's monopoly in these areas is not abused.

The first suggestion by officials was that BT should be subjected to a maximum rate of return; if the overall rate of return on capital exceeded the maximum, excess profits would be returned to customers. Professor Alan Walters, the Prime Minister's economic adviser, objected to this idea on the grounds that it would have undesirable consequences for cost control and enterprise; rate of return regulation in the U.S. had often resulted in waste of investment and in costly bureaucracy.

Alternative

He proposed as an alternative an output-related profits levy. The greater the expansion in output over the year, the lower the rate at which the levy on profits would be charged; this would encourage BT to expand output and lower prices. The Department of Industry then invited Professor Stephen Littlechild of Birmingham University to study alternative schemes for regulating BT's profitability. His report was published yesterday.

Professor Littlechild is rightly concerned to limit the amount of discretion in the hands of the regulators — who are always in danger of being "captured" by the industry they are supposed to be regulating. In the U.S. regulators have been given ample power to extract and analyse information and considerable discretion in approving tariff structures and rates of return. "The end result has not been a reduction in monopoly power — in general quite the opposite has happened."

He has no difficulty in showing that a maximum rate of return constraint would reduce pressure on costs and efficiency, since BT would have to rebate most or all of any cost savings to its customers; BT would be more receptive to increased wage demands and the "cost plus" syndrome would prevail. He is less categorical about the output-related profits levy, since it is a novel idea with no international experience to draw on. He suggests that the burden of regulation would be almost as heavy as with the rate of return approach and the risk of the regulator being "captured" by the industry would remain.

Tariffs

Professor Littlechild's preferred alternative is a local tariff reduction scheme. In the areas where BT has monopoly power — it would be required not to increase tariffs by more than the retail price index minus "x" per cent, ie it would reduce these tariffs by "x" per cent in real terms. The precise figure would be a matter for negotiation between BT and the Department of Industry, but detailed regulation would be much less than under the other two proposals. Moreover, the local tariff reduction scheme provides no disincentive to efficiency or innovation; any cost reductions exceeding the agreed target are kept by the company.

The Government has broadly accepted the Littlechild report, which includes several other changes designed to increase competition. In particular, BT will lose its "monopoly of the first instrument": customers who have standard BT sockets will be free to purchase their first telephone from any supplier.

Professor Littlechild has devised what seems to be a feasible method of achieving the maximum of competition and the minimum of regulation, but it is a pity that these changes are being made in the form of amendments to a Bill which has already reached the committee stage. The complex question of regulation ought to have been fully considered before, not after, the drafting of the Bill. The Government is understandably eager to stimulate competition, but it is more important to get the regulatory framework right than to rush the Bill through Parliament.

South Africa's bold move

SOUTH AFRICA'S decision to do away with the financial rand and operate a unified exchange rate for the first time since 1961 can properly be praised for its boldness. The amalgamation of the republic's investment currency with the commercial rand was known to be a long-term target, but the announcement last weekend came as a surprise. While it may be true that the authorities' timing was motivated principally by a disruptively large inflow of capital in recent months, as the gold price rose and foreign loans poured in, the move also reflects considearble confidence in the county's future attractions for international investment.

For this reason, the abolition of the financial rand is more than a technical response to the mechanics of international trade and banking. The rand was blocked 22 years ago as an emergency response to the flight of foreign capital after the Sharpeville massacre and associated political turbulence.

Since then, the movement of funds by non-residents into and out of the South African economy has been carried out through a financial rand market which has imposed a fluctuating premium, or discount. This has been an artificial and bothersome mechanism. Once the necessary adjustments have been made—to share prices, currencies and domestic interest rates—the attainment of a single and realistically-valued rand will be of benefit to all.

Rational

It will also help to clarify the delicate and difficult issue of foreign investment in South Africa. The true attractions of the Republic have been obscured by a system which, on the one hand has offered an incentive (most recently about 17 per cent) on portfolio or venture investment and, on the other, has obstructed the repatriation of capital. International business will now be able to take rather more rational decisions about whether or not they wish to operate inside South Africa.

Foreign investors have to take a view about the longer-term stability of the republic and thus the security of investment there. This relates directly to the rate of return on that investment — where South Africa has traditionally had an impressive record—and therefore to the efficiency of the system.

This last point may weigh as heavily as any: certainly it preoccupies local business leaders. When the International Monetary Fund last November debated whether or not to lend South Africa $1bn (to help cope with balance of payments difficulties which seem to be diminishing fast), the opponents of the loan talked about the need for "structural adjustment" if the South African economy was to function at its full potential. They were talking indirectly about apartheid and its impact on the labour market.

There is little disagreement these days, either inside or outside the country, that apartheid—with its restrictions on the mobility of the black majority and its impediments to their education and training—frustrates the development of an economy which, thanks to its natural resources and its established industrial hase, ought to be among the most exciting in the world.

Committed

The Government has now committed itself to policies of reform. A new parliamentary session has just opened which will debate a new consutution. The Coloured and Indian minorities have been offered a junior role in the white parliamentary political system which they may or may not accept. The 20m Blacks have, so far, been offered little, although there are hints that the Government is at last prepared to admit their permenant existence in the white urban areas, to tackle some of their biggest grievances there, such as housing, and even to consider a link with the white political structure.

It would be churlish to deny that the Government has made a substantial shift of stance, but it must be stressed that the latest proposals still seem wholly inadequate to meet perceived Black demands. Foreign investors have a legitimate interest in these matters. They no doubt wish to participate in South Africa's economic development, but their attitude is bound to be influenced by their view of the country's political future and by the strength of the Government's commitment to far-reaching reforms. In the meantime, it would be good to be able to believe that this bold rethink of current policy would be followed by a similarly brave and sensible reassessment of the shibboleths of apartheid.

WEST GERMAN ELECTRONICS INDUSTRY

The struggle to catch up

By Guy de Jonquieres

"Too often they tried to re-invent the wheel."—Dr Thomas Sommerlatte of Arthur D Little

AS WEST GERMANY wrestles with its most severe recession since the war, its businessmen, bankers and government authorities are also seeking to come to grips with another problem. It is that the country risks falling behind in the international race to create vigorous new industries based on microelectronics and information technology, which offer the brightest hopes for future economic growth and competitiveness.

The dilemma has been harshly underlined by the wave of difficulties which has engulfed several of its leading electronics and electrical companies. The giant AEG Telefunken is seeking a settlement with its creditors and faces drastic restructuring, while France's state-owned Thomson group is poised to take control of the ailing Grundig, Germany's largest consumer electronics manufacturer.

Moreover, Germany has been slow so far to breed a new generation of innovative entrepreneurs of the kind who have provided much of the U.S. electronics industry's growth since the 1960s and who have been increasingly active in Britain in the past five years. German banks have been unwilling or unable to provide suitable financing, and venture capital is still almost unknown in Germany.

"The Germans are in danger of missing the boat in the next industrial revolution," warns Mr Dedy Saban, vice-president of European marketing for Motorola, the U.S. group which is the world's second largest semiconductor supplier. "I see nothing really advanced going on there. They have serious structural problems adapting to microelectronic technology."

Mr Klaus Luft, deputy chief executive of Nixdorf, one of Germany's few successful computer manufacturers, believes that its industry suffers from a "post-war reconstruction philosophy." "That means rebuilding what you had. There is a lack of future-oriented thinking and innovation. Businessmen became too relaxed after the success of reconstruction. Politicians are too preoccupied with the problems of older industries."

But he also thinks that tough economic conditions will force a change of attitudes for the better.

Many observers believe that German industry is still handicapped by too rigid a commitment to strict organisational discipline, painstaking long-term planning and the steady refinement of well-established products and processes. They argue that while such an approach has helped the country achieve world leadership in technologically more mature sectors like machine tools and heavy engineering, it is ill-suited to fast-moving electronics markets, where success demands speedy innovation and a flexible management style.

A shortage of staff trained in applying the new technologies is also often cited as an obstacle. Only about 1,000 electronics engineers graduated in Germany in 1981.

Reis Industrie, a small engineering company based in Obernburg, near Frankfurt, which has an excellent export record, says that it has had to retain consultants in Switzerland to write the software (programmes) for the robots which it makes because it could not find the expertise which it needed in Germany.

Dr Rainald von Gizycki of the Battelle research institute in Frankfurt blames the education system for being slow to adapt. The system of life-long tenure for faculty members at German universities makes it hard to introduce new courses quickly, he says, while the curriculum for lathe operators taught at Berufschule (technical college) has barely changed since 1938.

Germany is still Western Europe's largest national market for semiconductors, accounting for some 30 per cent of total sales of $2.8bn last year. According to Mr Uwe Thomas, head of the information technology directorate of the Research and Technology Ministry in Bonn, its per capita consumption of integrated circuits is about one-third higher than the European average. But these bare statistics do not tell the whole story.

In 1980, Mr Thomas says, Germany's per capita consumption was 60 per cent of the U.S. level and 70 per cent of Japan's. Yet its GDP per capita was 17 per cent higher than in the U.S. and 50 per cent more than in Japan that year. And according to Motorola, demand for semiconductors of all kinds has grown more slowly in Germany than in the rest of Europe over the past three years. It has yet to regain the level at the end of 1980 after falling by 13 per cent in D-Marks in 1981.

"Germany's position in exploiting microelectronics bears no comparison with the importance of its economy. That is catastrophic," says Dr Alfred Prommer, former head of the discrete components division of Siemens, the country's largest electronics and electrical manufacturer.

Though Germany has had some success in applying microelectronics to traditional products like machine tools and cars, as well as in the newer field of robots, its troubled consumer electronics sector remains the largest user, accounting for almost 40 per cent of all component purchases. By contrast, computer manufacturers account for less than 20 per cent, according to Motorola.

The country has failed to develop a strong computer industry in spite of government support of more than DM 4bn (£1.06bn) since 1967. According to management consultants Arthur D. Little, who have just completed a study of the support schemes, the eight main German-owned computer manufacturers accounted for less than 40 per cent of domestic output in 1980. More than half the DM 14bn total was produced by IBM of the U.S.

Most of the support funds have been poured into Siemens, which the Government had hoped to turn into a viable rival to IBM. But its annual computer business of about DM 2bn is less than 3 per cent of IBM's worldwide revenues and is still losing money. Ironically Nixdorf, which received only about DM 100m of support, has grown faster—and profitably. It specialises in small computers, where IBM is less of a competitive threat.

"Why isn't there an impressive number of profitable German data processing companies?" asks Dr Thomas Sommerlatte, a vice-president of Arthur D. Little. "The answer is that most of them come from traditional electromechanical industries. They have had difficulty understanding computers and they put in the wrong people. Too often, they tried to re-invent the wheel."

The circumstances underlying the heavy recent losses at Triumph Adler, Olympia and Kienzle, three of Germany's largest office products manufacturers, bear out his analysis. The first two are old-line typewriter companies, while Kienzle's main traditional business has been making mechanical taxi metres and tachographs.

> "The Germans are in danger of missing the boat in the next industrial revolution"

All have sought to diversify into electronic products but have failed to move decisively enough. Kienzle launched its first computer as long ago as 1968. But industry analysts say that too much management effort was devoted to the technical development of its machines and not enough to aggressive marketing strategies. Olympia's plans to enter the computer business in the mid-1970s were thwarted by AEG, which owns 51 per cent of the company, because it feared competition with its own data processing subsidiary.

For Volkswagen, which bought Triumph Adler in 1979, and Mannesmann, the heavy engineering group which took over Kienzle in 1981, the acquisitions have proved bitter disappointments. Both thought they were buying solid stakes in a strategic growth industry. Instead, their dreams have turned at alarming speed into management nightmares.

Triumph Adler, Olympia and Kienzle are now engaged in major efforts to achieve recovery. All have launched ranges of more up-to-date products, eliminated less efficient operations and reorganised their marketing activities. But the effects of these measures have yet to show up in significant improvements in their business performance.

The DM 8.5bn a year German telecommunications equipment industry, long a force on world markets, has also paid the price for failing to swim with the technological tide. In 1978, Siemens and the Bundespost (German Post Office) had to abandon a 12-year DM 1bn project to develop a new generation of public telephone exchanges. The analogue electro-mechanical switching system was being outdated by the much more advanced electronic digital technology of rivals such as Sweden's L. M. Ericsson and France's CIT Alcatel.

To its credit, Siemens has recouped with a crash programme to develop a digital exchange, which is expected to sell well internationally after it is certified by the Bundespost next year. The Bundespost has recently adopted more competitive procurement policies and plans to buy digital exchanges from both Siemens and Standard Elektrik Lorenz, a subsidiary of International Telephone and Telegraph.

It has also broadened the range of equipment and terminals available to subscribers—though Siemens is developing for the U.S. market a much more advanced private exchange than it sells at home.

With Government support, Siemens has also invested heavily to catch up in semiconductors, of which it is Europe's largest manufacturer. Industry experts are impressed by its efforts and agree that its latest 64-K random access memory (RAM)—the most advanced type of memory chip in full commercial production—compares well with those of U.S. and Japanese rivals.

An awareness is growing in political and banking circles that Germany needs to do more to support new technology companies if it is to stimulate the kind of entrepreneurial innovation which has flourished so successfully in California's Silicon Valley. Various initiatives are now being studied at federal and State level.

The Research Ministry in Bonn is preparing a package of measures to assist the formation of technology-based businesses, which is expected to be unveiled later this year. Some of the bigger banks have been discussing how to improve the supply of equity financing for young companies, and Germany's first entirely private venture capital fund is in the process of being set up.

Precise information about how many new electronics companies have been started in the past few years is almost impossible to obtain, largely, it seems, because such activity has not attracted widespread interest until very recently. Most authorities believe that it is much less advanced than in Britain, though it appears to be taking off faster than some at first thought.

The Research Ministry has been surprised by the enthusiastic response to a DM 450m programme which it launched a year ago to help small companies to use microelectronics in their products. About 2,400 companies have applied. Forty per cent of the first 1,600 were founded after 1970—though many appear to be involved in traditional electro-mechanical activities and not to have been formed specifically to exploit microelectronics.

Ironically, the recession may also be helping small companies by spurring a shake-up in long-standing business practices. Many larger companies, under pressure to cut costs, are said to be taking a tougher line with traditional suppliers and subcontractors and to be increasingly receptive to competitive bids by newcomers.

Straws in the wind—or evidence of a fundamental shift in attitudes? Some German observers, who tend to the latter view, seek justification in historical precedent. They look back to the 1920s as a golden age of national creativity in the arts, science and industry, and point out that that period, like today, was marked by economic turmoil. Whether, 60 years later, Germany is approaching a similar cultural watershed, from which it will emerge better equipped to grasp the opportunities of a revolution in technology, remains to be seen.

A second article on the problems facing young technology-based companies in Germany and attempts to solve them will appear on the Management Page on Friday.

Men & Matters

McDonald's out

There has been a wave of Wall Street speculation — words not dollars — on the fate of Alonzo McDonald, former Carter White House staff director who for the last 18 months has been president of Bendix Corporation.

Word is that McDonald has lost a boardroom argument and is being forced out of his $740,000-a-year job.

Neither Bendix nor Allied Corporation, its new parent after the formal approval last week of a $1.8bn takeover, would comment on the situation. But a statement is expected shortly.

Under the acquisition agreement, it is understood that William Agee, chairman and chief executive, is to continue in sole charge of Bendix while Edward Hennessy, Allied's chairman, remains in control of the expanded group.

Neither, apparently, sees any further need for a Bendix president and McDonald is said to have agreed to resign.

Should that be the case, the 53-year-old McDonald is unlikely to have a long search for new pastures. His record includes a spell as senior lecturer at Harvard Business School; managing director of management consultants McKinsey; and U.S. special trade representative to the Tokyo round of multinational trade negotiations.

The Bendix boardroom is used to unexpected changes. A previous president, William Penny, quit in 1980 under pressure from Agee. Less than a year later, director Robert Purcell left, saying he had "lost confidence" in the company's senior management and four independent directors resigned five months ago.

McDonald's departure would merely be the final twist to the company's bizarre merger battles which began with its unwelcome bid for the Maryland aerospace group Martin Marietta, and wound up with its own takeover by Allied.

Tough talking

The Japanese have a problem with the sounds created by the letters "r" and "l" which they find difficult to say and almost indistinguishable. Put the two consonants together in a single word and the typical Japanese face will experience mental anguish trying to spit it out.

Strange then that so many Japanese consumer items which are often named after western things should be virtually unpronounceable in Japan. The car industry is the most conspicuous offender with tongue twisters for native Japanese like Corolla, Starlet, Soarer, and Laurel.

Easier to say but worth a special mention in this note of linguistic man-traps is arguably the most bizarre name for a car. Nissan's top-of-the-fleet limousine is called Cedric. Apparently the chairman of the company was enthralled by the tale of Little Lord Fauntleroy.

Worm turns

The tiny Silk Association, which claims membership of at least 12 manufacturers in places like Sudbury, Macclesfield and Dunfermline, has for a second time within a month taken on a giant of the textile trade and stopped it in its tracks.

A month ago the association caused consternation at ICI's fibres headquarters in Harrogate, by challenging the company to withdraw its advertisements for Mitrelle, a man-made fibre, which ICI was promoting as a "silk-like fabric."

Now the silk people have taken on and beaten Pretty Polly, the tights and hosiery concern, part of the Thomas Tilling group.

Brian McMeekin, managing director of Pretty Polly, launched a new range of tights recently under the brand name Soft and Silky, which he said represented "a milestone" in the development of tights.

The milestone quickly turned into a millstone, however. No way can you call an artificial fibre "silky" said the Silk Association.

So, when the tights come on to the market in April they will be called Soft and Smooth.

"We are not very pleased to get that sort of call," admits Laurie Walker, Pretty Polly's marketing man. "But it has saved us the cost of re-packaging later on. Only dummy packs have been used so far and the advertising was not due until the time of the launch."

. . . a silky answer?

Undermined

Arthur Scargill, the miners' president, is decidedly not the Government's idea of a suitable subject for a national monument.

But the National Union of Mineworkers' former building in the Euston Road which has now been sold to a property company (Arthur is moving his troops to Yorkshire) stands a chance of being awarded the special status denied him.

This pitmen's palace was built only 25 years ago and was expensively embellished at the time with many fine stone finishes together with a dramatic central hall.

It is attracting the admiration of the Thirties Society which wants it to be accorded the status of listed building. That would scupper the plans of the new owner, London and New York Properties, which wants to pull it down.

The Thirties Society realises it is asking for a major change in the policy of the Department of the Environment which, at present, only lists buildings up to 1939. But the society argues that the NUM building should be a test case for advancing the cut-off year.

Why? The society explains: "Contemporary with the TUC headquarters (also unlisted) the NUM building embodies the confidence and optimism of the trade union movement after the Second World War."

Mrs Thatcher can hardly refuse if she is asked to provide a lasting memorial to such a stirring piece of history.

Lost for words

Life as a translator for the EEC Commission, it seems, can be a leisurely occupation in spite of the mass of paper that issues from Brussels in seven different languages.

Harald List, who worked for the director-general's section concerned with economic and financial policy, complained to the European Court that he was allocated no work at all between October 1 1979 and February 26 1981.

The Court's judgment reveals that the EEC Commission rejected his complaint, arguing that in a typical month, August 1982, List was given 25 pages to translate into German and fared no worse than his two colleagues, one of whom was given 25 pages to translate into French and the other 33 pages into English.

Though 1-1½ pages a day was well below its general norm for the job, the Commission said that "these figures could be considered the normal monthly volume of work for the three translators."

The Court annulled List's transfer to another division and dismissed his claim for damages for the "moral and material prejudice" which he claimed to have suffered by being left without work for 17 months.

Observer

Letters to the Editor

The distinction between capital and income and tax symmetry

From Mr W. Sadleir

Sir,—The consultative document published by the Inland Revenue on January 12 setting out the options (which the Government is considering for legislation) on the tax treatment of deep discounted stock, is founded on two principles: an essential distinction between capital and income and the necessity for symmetry.

One proposal considered by the Revenue is that the discount on a deep discounted stock should be regarded as a capital gain for the investor, while the borrower would get relief for it against income. The Revenue rejects this proposal on the grounds that it is tainted by asymmetry. Symmetry would, however, be restored if the discount were regarded as a capital gain for the investor, but the borrower got relief for it at the capital gains tax rate, expressed as a charge against profits on the terms which at present apply to interest payments.

The Revenue's wish to maintain a distinction between capital and income would lead to substantial administrative costs, both for the investor and for the borrower. These costs and the cash flow implications of certain of the proposals made by the Revenue could well mean that deep discounted stocks would be less attractive to an investor or to a borrower or to both than conventional bonds. On a more fundamental matter, it is, of course, questionable whether the distinction between capital and income is intellectually valid.

This proposal has the virtue of simplicity and does not violate the principle of symmetry. Companies would get relief at 30 per cent on the discount amortised straight line over the life of a deep discounted stock: investors would be liable to capital gains tax at 30 per cent on gains made on disposal or redemption, relief for losses at that rate necessarily also being available. The proposal does not differ in material respects from the treatment at present accorded to low coupon gilt-edged stocks.

The Government is known to be anxious to revive the domestic corporate bond market. If put into effect, the proposal should entail a reduction in the cost of borrowing by companies and an increase in the distribution of investors.

W. H. G. Sadleir.
114 Old Broad Street, EC2.

From Mr R. Hadfield

Sir,—When one learns from your leader (February 1) on tax radicalism that there is a "topic on which economists of every political persuasion agree," alarm vies with scepticism, until one reflects that this does not necessarily attribute unanimity to a free thinking profession.

The topic in question—tax relief on mortgage interest—has indeed been the subject of frequent criticism in your journal but it seems to this writer to be misconceived.

Withdraw tax relief on mortgage interest and it will pay those with interest or dividend income to sell their investments and pay off their mortgages. This will be to the detriment of what little is left of the private and independent sector of the economy.

The real problem is the taxation of dividend and interest income in the first place; for this, in reality, is a tax on borrowers rather than lenders. If there were no such tax there would be no need for relief.

As to the argument that tax relief raises house prices, one might just as well argue that profligate town halls in Lambeth and Islington keep house prices down by levying astronomical rates. No doubt they do, but you will not find economists of every politcal persuasion agreeing to that proposition.

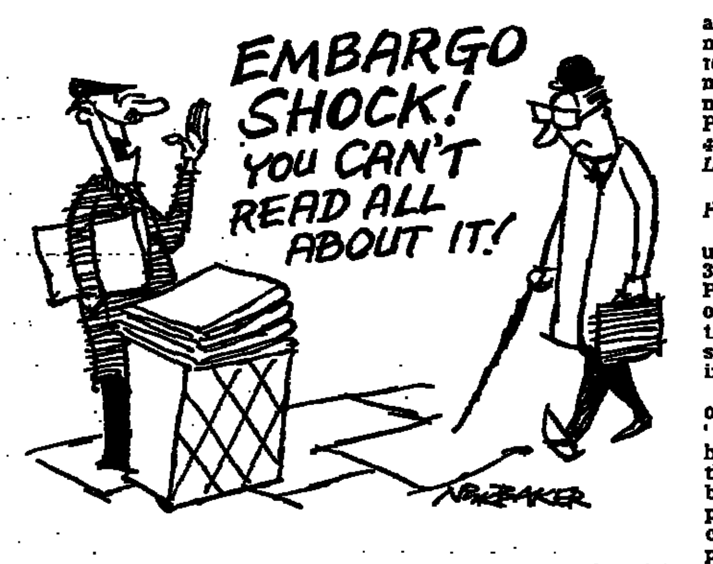
A truly radical solution to the problem of transferring wealth from richer to poorer would be to replace taxes on so called "unearned income" with a wealth tax on all net assets. Such a tax would avoid the damaging distortions in the market for loanable funds that is at the root of much of our poor investment and growth record today.

R. M. Hadfield.
4, Woodman Lane,
Sewardstonebury E4.

Read, mark, learn, inwardly digest and then write—fast

From Philippa Toomey

Sir,—As a journalist, I read Max Wilkinson's Lombard column (February 3) with polite incredulity. Irritating it may be to have to read, mark, learn, inwardly digest and write about a 150-page White Paper received at midday, but there can be few journalists unable to get a perfectly respectable piece written by, say, 6 o'clock in the evening, in time for their newspaper's first edition. A specialist would have the inside knowledge to work through a complex document, however badly written and poorly expressed, in this time.



Anyone who relied entirely on the Press summaries and official handouts could write a piece in an hour to an hour and a half, and from comparisons (all odious, of course) one might come to the conclusion that some folks do. Other folks rely on the Press Association, which puts over a summary resembling the definition of a strip-tease artiste, in that it uncovers the important points without revealing the whole.

Any journalist will have an easier life if 24 hours are available instead of six, but whether a better piece is therefore produced is a matter of opinion. Are the drama and music critics of daily papers demonstrably less competent than those of the weeklies? Significant pieces of news are now so over-written by specialists, columnists, feature writers, leader writers, ferocious opponents and letters to the Editor, not to mention intensive care on Sunday, that the danger comes from boring the reader to death rather than skimping on information.

The keeping of embargoes is a serious question, a matter of mutual trust, and it would be to the benefit of all if commitments undertaken where necessary were strictly kept.

Philippa Toomey,
4 Ardleigh Road,
London, N1.

From Mr J. Wakeford

Sir,—What a pathetic plea is uttered by Lombard (February 3) in "How not to tame the Press." The truth is that some of the Press badly betrayed the trust put in them, and are now squealing because they are having to pay the penalty.

I don't understand the logic of the demand for a preview of 'the news' so that journalists have adequate time to produce their comment. Surely it would be better if the news was reported at release time and the commentators had a day to produce their wisdom for us to read the following day. Are they worried that we will not be interested in reading the comment if it is not mixed up with the news?

J. C. Wakeford,
14 The Shaw, Tunbridge Wells, Kent.

Involuntary savings in Poland and the lack of goods

From Dr A. Bien

Sir,—On February 2, you carried a report on problems connected with the consumer market situation in Poland. There was one passage in which the author tried to explain how the inflationary "overhang" in Poland had been calculated. Unfortunately, it would seem that he was mistaken. He wrote that ". . . . inflationary 'overhang' . . . is calculated as the difference between total money incomes paid to the population and total spending on goods and services plus savings in the bank." Then he quoted the figure "Zl 562bn" as the overhang. Consequently it appeared that the quantity of cash in the hands of Polish citizens in the form of notes and coins had been increased by this amount during the period under consideration.

The fact is that the amount of notes and coins in the hands of Polish citizens had been increased much less than stated. The reason is that the overhang calculated for Poland in fact includes also part of savings; therefore it cannot be said that all savings are to be subtracted and treated as spending as far as the consumer market balance situation is concerned. It is so, since in an inflationary situation when there is a lack of goods on the market total savings cannot be treated as true savings any more.

One has to distinguish in such a case between voluntary savings and compulsory savings. With voluntary savings one should consider the rate of savings that traditionally appear (that is, where the consumer market is balanced and there is no lack of goods). With compulsory savings, one should consider the additional growth which appears above the level of the traditional rate of savings, since the population is not able to spend its money because of shortage of goods. In such circumstances people put much more money into the bank than they would like to, and would while the balanced situation of the market existed.

Therefore I would say that the sentence in question should correctly be written as follows: ". . . inflationary 'overhang' . . . is calculated as the difference between total money incomes paid to the population and total spending on goods and services plus that part of savings which can be considered as being voluntary."

It is interesting to consider what the value of compulsory savings is, a problem at present under debate in Poland. Some methods for calculation of this figure exist and are in fact used.

(Dr.) Andrzej Bien.
(Central School of Planning and Statistics in Warsaw, Chair of Finance.)
c/o Bank Handlowy w Warszawie, SA
London Branch,
4, Coleman Street, EC2.

Tobacco exports and the Indian balance of payments

From the Executive Director, Tobacco Advisory Council

Sir,—Your survey of Indian industry (January 26) contains an article about tobacco which, having pointed out the important contribution which tobacco exports make to the Indian balance of payments, goes on to say that the United Kingdom, which traditionally was the largest importer of Indian tobacco, has now slipped down to third place—behind the Soviet Union and China. The article states that UK imports of Indian tobacco have fallen from 30.5m kg in 1978-79 to 19m kg in 1981-82, and adds the general comment that in the European Community—the world's largest market for tobacco—India's exports are not making the headway that the country needs

Before the UK joined the Community, Indian tobacco enjoyed preferential admission to our market under the Commonwealth preference system. Since accession, this has been replaced by a scheme that provides for a quota of Virginia tobacco to be imported into the Community at special rates of duty under the generalised system of preferences (GSP). The scheme applies to Virginia tobacco from all GSP countries (not only India) but the significance of the traditional UK-Indian trade was recognised by the allocation of a large part of the quota to United Kingdom importers.

Community spokesmen have attached much importance to this scheme. It was indeed reported that when Mr Gaston Thorn visited India last November, he said that India was one of the major beneficiaries of the Community's GSP and that the inclusion within the GSP of Virginia tobacco was the Community's most important concession to India.

At one time, Virginia tobacco enjoyed a significant margin of duty preference in Community markets as a result of the GSP. Unhappily, this is no longer so. The Community has failed to maintain a margin of preference which reflects commercial reality and, as a result, the duty advantage which Indian tobacco used to enjoy has been almost wholly eroded. The reason is that the full rate of duty on Virginia tobacco from e.g. U.S. and Canada, is fixed at a maximum of 30 ECU (at present £16.49) per 100 kg of tobacco, whereas the GSP rate of duty is effectively 7 per cent of the landed price of the tobacco in the Community and can rise to a maximum of 45 ECU.

With the rise in world tobacco prices in recent years, prices for the better grades of Indian Virginia tobacco are now at or very near the point (£235 per 100 kg) where the margin of preference disappears. The Community should act urgently in the interests both of Indian and other tobacco-growing countries in the Third World at least to restore the margin of duty preference.

H. B. Grice.
Glen House,
Stag Place, SW1.

Practicalities and politics among the accountancy bodies

From the Vice-President, The Association of Certified Accountants

Sir,—I was privileged to be invited to address your recent conference on new challenges facing the accountancy profession on the question of "Are there too many accountancy bodies?" The necessarily condensed report (January 19) may, however, have unintentionally confused your readers.

If the six member bodies of the consultative committee of accountacy bodies (CCAB) were not already in existence, no one would ever have thought of adopting such a structure for the organisation of a profession. In present circumstances, however, any merger or partial merger would be unlikely to attract the necessary support of members of the bodies concerned since accountants have, in the past, shown a propensity to defeat well-conceived integration schemes. The difficulties seem insurmountable and healthy competition between the CCAB bodies will be maintained for the foreseeable future.

The role of CCAB, however, as the mouthpiece of the profession, assumes greater importance and merits review. Since its establishment in 1974, the president of the English institute has ex officio been chairman of CCAB for his year of office and he has been supported by the secretary and staff of the institute. This servicing of CCAB by one member body has created a situation in which those outside the profession have great difficulty in distinguishing the activities of CCAB from those of the English institute.

Since CCAB was established, the number of accountants represented by the member bodies has grown by 50 per cent and many of the issues needing to be addressed are complex and may, at times, be such that there are differing shades of opinion among the member bodies. There is also the potential, and very real, danger that the viewpoint of CCAB may not coincide with that of the English institute, placing the chairman in an extremely invidious position.

Publicity has been given to the concern of the Association of Certified Accountants and the Scottish institute to examine whether management effectiveness and administrative efficiency of CCAB would not be enhanced by a more independent structure. Through training and experience, accountants are familiar with the application of cost benefit analysis techniques but seem strangely reluctant to see the techniques applied in the control of their own resources. The association and Scottish institute cannot act alone and would require the support of other CCAB bodies which understand that cost and management structures need to be re-examined periodically.

Whether or not economies can be achieved in administering CCAB, the leadership of the other bodies has a responsibility to their memberships to focus on practicalities rather than politics.

F. E. Bleasdale
29 Lincoln's Inn Fields, WC2

America's new poor

Slipping through the net

By Nancy Dunne

ON THE day President Reagan broadcast his state-of-the-Union address late last month, an alternative version was delivered on the Capitol steps in faltering, earnest tones by a homeless black man named Roosevelt.

"As I look out across America," Mr Roosevelt Jones told an audience of 300 protestors, who said they represent America's poor, "I see one-fifth of a nation ill-housed, ill-clad, ill-nourished. That is the state of the Union. Millions of us are homeless. That is the state of the Union. Millions are out of work, out of hope and out of choices. That is the state of the Union. Millions of Americans are groaning under the weight of economic adversity. That is the state of the Union."

Mr Jones and others who work with the impoverished estimate that nearly 20m Americans, more than during the days of the great depression, are out of work or "underemployed." The Department of Labour says there are 12m unemployed but it no longer attempts to count the millions of "discouraged workers" who have given up job-hunting.

'Millions are out of work, out of hope and out of choices'

And no one is attempting to count the thousands of middle-class Americans who are swelling the ranks of the chronic migrants and are disappearing among the alcoholics, the junkies, the mentally ill and "the bums." The "new poor," as the media call them, the victims of the deepest U.S. recession since the 1930s, exist in ever increasing numbers.

Not all are living on the streets, in abandoned buildings or in public shelters. Some live in homes on the verge of repossession. Some live with families or share homes with friends. Many go hungry, many are giving up their children to welfare agencies and foster homes.

"Hundreds of thousands of middle-class Americans are now destitute," says Mr Mitch Snyder, spokesman for the Community for Creative Non-Violence, which feeds and shelters thousands of homeless each day in Washington. "The lucky ones are living in their cars. The unlucky ones are living in tents and boxes and abandoned buildings."

With 30 jobs, a Chester, Pennsylvania, company last month had over 2,000 applicants

While the cause of the nation's economic woes are disputed by politicians, the reasons for the homelessness are clearly defined. A lack of low-cost housing has thrown many of the unemployed on the streets. Cuts in domestic spending have left social services unable to provide for even "the poorest of the poor." A Government reform of the mental institutions has thrown many "non dangerous" patients out in the cold. The group homes supposed to care for them are inadequate.

Even the middle-class is slipping through the increasingly inadequate "safety net" of government assistance programmes. Only 45-50 per cent of the jobless are receiving unemployment benefits, which expire after several months (varying from state to state). Any assets more than a house, car and essentials can render applicants for welfare ineligible. Some 40 per cent of all households living below the official poverty level receive no food stamps, free school lunches, government health care or subsidised housing.

"There are tens of thousands malnourished children who are middle class," Mr Snyder says. "We've gone out at 5 or 6 am and shown people who are living in $100,000-homes how to trash pick and how to get food out of garbage bins behind supermarkets. Their kids are hungry, but they can't get food stamps if they live in their own homes."

At hearings held by a House of Representatives sub-committee last month, chairman Henry Gonzalez, a Texas Democrat, admitted that no one knows the extent of homelessness in America.

"The evidence is that a great many of the homeless were just a few months ago stable, responsible people who had homes and jobs—but whose world collapsed around them," he said. "We have seen stories of such people, camped out in Houston parkland, sheltered in Denver churches and thumbing rides all across the country. We have read accounts of mass evictions, within the shadow of this building."

Public shelters in many cities are overflowing, lice infected and poorly supervised. Homeless men sleep in caves above the Allegheny River in Pittsburgh. Men and women sleep on hot air vents in the pavements of Washington and Boston in preference to the shelters where they fear attack from the mentally ill.

Many small towns and suburban communities, though well meaning, have been caught unprepared for the demand for shelter. In Montgomery County, Maryland, one of the wealthiest U.S. counties, a church opened a shelter two months ago for homeless women, but it operates only from 7 pm to 7 am. When morning comes, the women must leave, no matter what the weather.

Mrs Anne Shaw, who stayed there, is an unemployed bookkeeper who lost her job three months ago when her employer went bankrupt. She gets no unemployment pay because her firm failed to pay its taxes

"What I object to most is that we're forced to leave the shelter in the morning with no money, no nothing," she says. "I tried job-hunting every place I could walk to. I ended up at the library but after a while they called the security guard. Then I went to the Post Office, but they locked the door on me. If I go to buy a coke to sit somewhere they only let you stay so long."

At 48, without family and never before destitute, Mrs Shaw fears that she will end up out in the streets, scavenging food from garbage cans.

The Reagan Administration has designated the volunteer agencies, churches and local governments as the proper providers for the new poor. These are reporting that their resources are stretched beyond their limits. Legislation to provide money for public shelters failed along with a jobs creation bill in Congress last month.

Among the new poor themselves, community workers relate that there is shame, desperation, anger and frustration at having to deal with the complexities and inadequacies of the social services system. Regulations, designed to prevent chaos in overburdened facilities, seem heartless to many of the needy.

'We are showing middle-class people how to pick trash'

In Washington, an unemployed school teacher, who had waited in line for free food for his family was denied assistance because he lacked his children's birth certificates. He left, enraged, shouting.

If the unemployed heard Mr Reagan's state-of-the-union address, the homeless might have taken comfort in his message. While he asked for a 3 per cent cut in domestic programmes in real terms, he acknowledged the "plight of millions of our friends and neighbours who are living in the bleak emptiness of unemployment." It was up to the friends and neighbours to help, he seemed to suggest.

"America is on the mend," he said encouragingly.

FINANCIAL TIMES

Tuesday February 8 1983

Peter Bruce and Lisa Wood look at the impact of the falling pound

UK importers, retailers fear price rises

IMPORTERS and retailers believe that price rises across a broad range of capital and consumer goods in the UK are imminent, as the impact of sterling's slide against major trading currencies begins to take effect.

There are also fears that prices of British-made goods will go up as domestic manufacturers take advantage of the importers' increases to ease pressure on their profit margins.

Retailers may also increase the prices of British-made goods to subsidise price-holding operations on more competitive imports. The result could be that some of the opportunity to gain market share at the expense of dearer imports will be sacrificed.

This emerges from an informal FT survey of the aluminium, fork-lift truck, car, machine tool, paper, electronics, white goods, beverages and textiles markets in Britain.

The somewhat gloomy findings contrast sharply with hopes, not yet realised, that the pound's slide against the U.S. dollar, the Japanese yen, and major European currencies – particularly over the past three months – would boost British exports quickly.

Dearer raw material imports will also push up the prices of goods made in Britain. "All the euphoria about the cheaper pound could easily be offset by the higher cost of imported raw materials," said Mr Roy Skelton, secretary of the British Importers' Confederation.

It may be up to three months before the price rises on imported capital and consumer goods are felt in the markets, however, while merchants and retailers sell existing stock. The expected increases range between 10 and 20 per cent, although, in the case of machine tools, these could be as high as 40 per cent on some Japanese models which dominate specialised markets.

Some products have already gone up, and the importers have blamed currency changes. These include semi-fabricated aluminium products, fork lift trucks, machine tools, cars, and electrical goods.

Aluminium stockholders have noticed increases of around 10 per cent in imported semi-fabricated products like sheet, plate and wire over the past few weeks. Mrs Lydia Skinner, managing director of the Ravensdown Group, one of Britain's biggest stockists, said she expected import prices to move up still further, probably by 15 per cent in all.

As about half the aluminium used in Britain is marketed through stockists, these increases could have a broader impact on canned goods, for instance. British Alcan, the major British producer, recently raised its prices 10 per cent, but this might prove insufficient as raw material costs, particularly of the price of alumina, increase.

Mr Derek Webb, managing director of Apollo Metals, a medium-sized stockist based in Birmingham, said the cost of West German and French metal had increased sharply.

British Alcan appeared to be trying to use its price increases to get to break-even, he said, and foreign producers, believing their market share in Britain was not under threat from local producers, had adopted an aggressive attitude to the market.

Importers of fork-lift trucks and machine tools, both of which have achieved high levels of penetration in the UK, freely admit that their prices have risen or are about to, but are confident that British manufacturers will not be able to make significant inroads into their market share.

Mr Brian Sheridan, who sells Datsun lift trucks in the South of England, said his prices had risen by up to 13 per cent because of the pound's slide. He said British manufacturers' selling methods were "outdated," as they tended to sell direct, rather than through dealers. "We won't lose market share, but it's hurting our profit margins," he said. British lift trucks were now, on average 10 per cent cheaper than their Japanese competition.

Dealers in Datsun, the biggest-selling Japanese lift truck in Britain, could hold their position because the manufacturer's parent company had guaranteed help should margins become intolerable.

Similarly, importers of Japanese machine tools, which have a particularly strong share of the British market in computer numerically controlled machining centres and lathes, do not believe that price increases would benefit the British machine tools industry.

Prices of most Japanese machine tools, which in some cases hold more than half the UK market, are expected to rise 20 per cent in the next few months because of sterling's 21 per cent fall against the yen since November.

Japan's response to pressure from the West to slow down its penetation of the EEC, U.S. and Canadian machine tools markets could force a cumulative price increase of up to 40 per cent.

Despite a 4 per cent increase in the price of Datsun cars, announced last month, and acknowledgements by other Japanese manufacturers that their prices will rise, cars imported from Japan remain competitive. Observers in the industry believe, however, that should the pound fail to strengthen, Japanese producers would find their position difficult to hold after April.

Mr Roger Dickinson, retail operations director for Curry's, a major electrical retailer, said the company's buyers had come up against sharp increases in recent days. The increases, he said, ranged between 8 per cent and 12 per cent on stereo and video equipment from Japan and the Far East and white goods from continental Europe, particularly Italy.

Meanwhile, there is strong speculation in the paper, pulp and board industry of possible price increases in the next few weeks.

Mr Toby Marchant, marketing manager of Link, a subsidiary of Modo (Sweden), which imports "fine" printing papers, said: "There is a rumour there will be an increase announced by a number of UK and European mills at the end of the month.

"Therefore our prices will be forced up – probably in March or April, dependent on the sector."

Referring to made-up textile imports, Mr Skelton said that the state of the pound against the dollar was not sufficient to depress purchases yet. He said: "Many orders are placed up to a year in advance, partially because of the quotas. People going out to Hong Kong, however, this year may find prices not as competitive."

As to whether UK textile manufacturers could benefit, he said that purchase was not just determined by price.

The Food Manufacturers' Federation said prices of imported commodities, excluding those covered by the Common Agricultural Policy, such as dairy products, sugar, meat and cereals, would go up. "To some extent, people buy forward, so it will take a couple of months to work through," it said.

COSTS RISE

The slide in the value of the pound caused a sharp increase in the costs of fuel and raw materials for UK industry in January. Although businessmen have welcomed the boost given to exports by the fall the index for input prices jumped 2 per cent in the month, according to the Industry Department. Page 8

Moscow rethinks Afghan strategy

By Anthony Robinson in Moscow

A MAJOR reappraisal of the military situation in Afghanistan appears to be under way in Moscow at a series of meetings between high-ranking Afghan and Soviet defence and army officials as diplomatic efforts to find a gradual solution to the problem continue.

An Afghan military delegation led by Mr Abdul Khadar, Minister of Defence, and Gen. M. Sadeki, head of the Afghan army political department, arrived in Moscow on Saturday and have since been involved in talks with top Soviet military leaders headed by Defence Minister Dmitri Ustinov and top leaders closely involved in the expedition and the operations of the 105,000-strong Soviet army contingent.

Western military attaches believe one of the principal problems under discussion is how to improve morale and stem desertions from the Afghan armed forces, whose strength is estimated to be less than 30,000 men.

The high rate of desertion is believed to be forcing the Soviet army into a more prominent fighting role, and making it increasingly difficult for the Soviet media to sustain the line that Soviet troops are essentially playing a supporting and logistical rather than an active fighting role.

This is reflected, among other ways in increasing Soviet press coverage of the fighting in Afghanistan in recent weeks and increasingly open admissions that Soviet troops face well-armed and hostile guerrilla units.

The Soviet army newspaper, Red Star, has said "deaths at the hands of counter-revolutionaries has accounted for tens, hundreds and thousands of lives ... and the destruction of 2,000 schools, 31 hospitals, 104 first aid stations."

But it is not only the extent of the opposition which is now being revealed by the Soviet press. The grisly nature of the conflict is increasingly being portrayed as a struggle between the forces of civilisation, represented by the Soviet forces and progressive Afghan forces, and bands "not of men but of wild animals."

Turkey tests reaction of U.S. banks to new medium-term loan

BY METIN MUNIR IN ISTANBUL

TURKEY has invited a group of leading U.S. banks to a meeting which is expected to have a crucial bearing on the formulation of the country's 1983 external borrowing policy.

Turkey has arranged the meeting because it is considering an approach to the market for a medium-term balance of payments loan – believed to be between $300m and $500m – and wants to gauge the reaction of the American banks, who are among its largest creditors. They include Chase Manhattan, Morgan Guaranty, Citibank and Manufacturers Hanover.

The planned syndication would be Turkey's first such approach to the market since 1977 when the country entered the worst economic crisis in its history and lost its external creditworthiness.

The Ankara Government seems confident that the success of the stabilisation and economic adjustment programme introduced in January 1980 justifies such an approach.

The Turkish economy started recovering rapidly after this programme went into effect. Inflation was reduced from an annual rate of more than 100 per cent in 1980 to about 25 per cent in 1982 and the current account deficit from $3.2bn to an estimated $735m.

Benefiting from this improvement, Turkey started making cautious approaches to the market in 1981 and was successful in raising modest amounts of mainly short-term project and export-related loans.

Some foreign bankers maintain that Turkey should continue with this policy rather than go to the market for a direct balance-of payments loan for which there may be little appetite. They say that foreign-currency-generating projects would have a market and would also contribute to an improvement in the balance of payments.

The subject will be discussed at a working lunch in New York on Friday between Turkey and the banks. The invitation has been issued by Mr Adnan Baser Kafaoglu, the Minister of Finance, who is in Washington for the annual general meeting of the International Monetary Fund.

The Turkish delegation will include Mr Yavuz Canevi and Mr Zekeriya Yildirim, vice-governors of the central bank, and Mr Tevfik Altinok, Secretary General of the Treasury.

Battle for Thai airline contract

BY OUR BANGKOK CORRESPONDENT

THERE are growing signs that a see-saw battle between Airbus Industrie, the European consortium, and Boeing of the U.S. to sell two airliners to Thailand could end in stalemate, with neither company winning the much-sought contract at least for the next year or two.

Industry sources confirmed yesterday that officials of Thailand's state-run airline, Thai Airways International, are divided over whether to go ahead now with an order. In addition, a senior official of the Thai Communications Ministry, which must approve any new purchase, has publicly come out in favour of postponing the order.

The Thai airline's finance department circulated a confidential report in December advising against buying new aircraft until 1986, when the airline would be in a better financial position to make such a purchase. At present, the airline has substantial loan repayment commitments for Airbuses and DC-10 aircraft it bought in 1976–77.

At the end of last month, Deputy Communications Minister Chumpol Silpa-Archa said he had told Thai Airways that it should stop buying new aircraft and lease them instead in order to strengthen the airline's financial position.

Neither his recommendation nor the report of the airline finance department carry decisive weight in themselves, but airline executives are known to believe that the issue has become so convoluted that the best solution would be to shelve it.

The saga began two years ago when Thai Airways International, which already operates 10 Airbus A300–600 airliners, placed an order for two more.

The European consortium was shocked when the Thais last summer abruptly switched their favours to Boeing, which offered very attractive financial terms for two of its new 767 aircraft.

Airbus Industrie refused to accept the attempted cancellation and progressively improved the terms of its offer, at the same time enlisting the support of the British, French and West German governments to persuade the Thais to stay with Airbus.

BNOC set to cut crude by $3.50

Continued from Page 1

oil prices has come from negotiations between Oman and Japanese companies. Oman, one of the smallest Gulf producers, has twice in the past three weeks indicated its willingness to offer discounts.

Now it is understood to have provisionally suggested a $4 reduction to $30 a barrel for long-term contracts which would account for at least 50 per cent of its planned 360,000 b/d average output in 1983.

Oman is not a member of Opec but acts in concert with other producers linked by the Gulf Co-operation Council (GCC). Because of the economic benefits it stands to gain from the GCC, it is anxious not to take unilateral action on oil prices.

Oman is now believed to be prepared for a formal agreement with the Japanese companies once it receives the go-ahead from Saudi Arabia.

The pressure on Nigeria for a price cut is also intensifying with indications that its output may fall

French legal move on moped company

By David Housego in Paris

MOTOBECANE, the loss-making French manufacturer of mopeds and bicycles, faces the prospect of a court-supervised reorganisation after the resignation of M Jean-Claude Noblet, the chairman, whose own restructuring plan has been rejected by the government.

The Paris commercial tribunal has been asked to name a provisional administrator after the failure of attempts to find a new chairman. This step normally leads towards a company's affairs being placed in the hands of the courts.

Motobecane, which last year reached an agreement with Yamaha of Japan as part of an effort to develop and market new models, has suffered a collapse in sales in recent years. Losses during the first half of 1982 amounted to FFr 17.7m ($2.52m), compared with a full-year loss of FFr 19m on sales of FFr 900m for 1982.

Production of mopeds last year was 503,000 compared with 1.4m in 1974.

A warning of the company's problems came last year when Societe Centrale d'Etudes Marcel Dassault – the private company owned by the French aircraft manufacturer – reduced its shareholding from 42 per cent to 12 per cent. The buyers of the shares have remained unidentified, though speculation has focussed on Japanese investors.

The other main shareholders are the Noblet family, with 11 per cent and the Peugeot group with about 12 per cent. Peugeot's own present financial difficulties appear to preclude it from providing any further help.

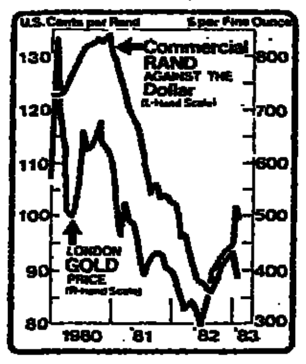
The details of M Noblet's restructuring proposals remain unknown though they are believed to have involved substantial dismissals. About 500 of the workforce demonstrated yesterday at Bobigny outside Paris demanding a "positive" solution.

The French Government has in principle supported the maintenance of the French moped industry in the face of Japanese competition in the motorcycle industry.

THE LEX COLUMN

Travelling light with Telecom

The UK wholesale price statistics for January provide a gloomy picture of the state of domestic profit margins. The weakness of sterling is now showing through strongly in input costs, which have risen at an annual rate of over 13 per cent during the last six months, while manufacturers are managing only meagre increases in output prices. So, for the moment, all hopes must be pinned on the overseas markets.



Littlechild

The UK Government has been quick to accept the thrust of the Littlechild telecommunications report. So it looks as if the regulatory knapsack issued to British Telecom will be remarkably light. Instead of the complexities and disadvantages of a maximum rate of return scheme or an output-related profits levy, Littlechild has plumped for price control on those services which will face minimal competition – domestic rentals, local calls, etc. The basket of charges for these services will be allowed to rise by a factor of "X" less than the RPI.

Unit costs in telecommunications are falling because of rising traffic and cheaper equipment, while BT has anyway plenty of fat in the shape of overmanning to see it through the initial five-year period of this regime. So it is not surprising that it has broadly welcomed the Littlechild proposals, although no doubt the size of the "X" factor will be a subject of fierce negotiation.

The Government has also moved fast to step up the amount of competition for BT, both in the supply of equipment and in call routing. This approach has considerable – although so far unquantifiable – implications for the whole industry. However, BT's new management, buttressed by a dominant market position, looks well able to face new competitors head-on. Its immediate imperative will be to complete the matching of prices to costs – with perhaps a shock to Londoners, who presently enjoy local tariffs over an enormous area.

The £1.5bn pension liability remains a hurdle to be cleared before BT can be privatised, and investors may also be wary of the potential interference from regulatory authorities and the Secretary of State. Nevertheless, this statutory framework removes BT firmly from the category of boring utility. A growth market, along with the potential for wrapping in data handling, could make the stock market as excited about the telecommunications service industry as it has been about the hardware.

ABP

The city may not have forgotten its badly burned fingers over the Britoil issue, but it looks set to give a cheerful enough welcome to Associated British Ports (ABP), the Government's latest offering. Underpinned by a hefty yield, the shares make a logical fit for the income funds, while the Government advisers are confident enough of interest from small investors to be preparing to sort out illegitimate multiple applications. Market indications are that the issue could go to a premium of up to 15p over the 112p offer price.

At this sort of level, the price would start to reflect ABP's considerable recovery potential. The restructuring of the balance sheet, from which £81m of government debt will be written out, could ease a rapid return to the profits of over £20m pre-tax which ABP regularly earned in the late 1970's.

At the moment, however, ABP is recovering from its 1981 loss of £10m and is languishing at the bottom of the cycle. Many investors will be chary of the group's exposure to labour troubles and there is also the danger that a pre-election rush into the shares may turn into a post-election exodus if a Labour Party bent on renationalisation returns to power. These uncertainties could be sufficient to make the offer a relatively sedate affair.

Rand

The South African authorities had every right to feel satisfied with themselves last night as they brought the new unified rand to rest almost dead on their target rate of 88 U.S. cents. The local stock market had opened in a state of high excitement as heavy sell orders for gold mining stocks flooded in from the Continent, and later the U.S. But as overseas holders took the profits gained through investment at the old discounted financial rand rate, local buyers moved in to buy the cheaper shares.

The Johannesburg gold mining index finished last night about 9.6 per cent down at 857.6, illustrating the influence of foreign trading in this market – the industrial share index fell only 2.7 per cent.

It looks as though the Government has achieved its aim of allowing a modest outflow of foreign portfolio investment while relying on the underlying strength of the gold price to prevent panic selling.

Yesterday's publication of the January reserve figures provided timely evidence of the Reserve Bank's ability to defend its currency if the need arises. Out of a R730m increase in the reserves – to R4.6bn – about 60 per cent was accounted for by a build-up of foreign currency assets.

BOC Group

BOC Group's results for the three months to December bear out the pessimistic view of trading conditions expressed in the report and accounts. Reported pre-tax profits have fallen 28.1 per cent to £16.6m. After adding back capitalised interest and adjusting for exchange rate movements, the drop was roughly 40 per cent.

The company has benefited to the tune of £2m pre-tax in the quarter from recent acquisitions, which were funded predominantly through equity. So barring any sudden recovery in demand, of which BOC can so far see no evidence on either side of the Atlantic, earnings per share will be steeply down this year.

Trading does at least seem to have reached a trough but BOC ins now confronted with the effect of declining inflation on realised stock profits, which dwindled from £4.6m to virtually nothing in the first quarter. The share price fell 5p yesterday to 178p, where the historic yield is 8.6 per cent.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	11	52	Dubrovnik	C	11	52	Malaga	S	14	57	Salzburg	C	0	32
Akrotiri	C	13	55	Faro	S	14	57	Malta	F	16	61	Seoul	S	1	34
Algiers	C	12	54	Florence	R	4	39	Manila	S	33	91	Singapore	S	32	90
Amsterdam	C	1	34	Frankfurt	Sl	2	36	Miami	S	25	77	Stockholm	S	-4	25
Athens	F	18	64	Funchal	R	15	59	Milan	C	1	34	Strasbourg	C	2	36
Bahrain	C	20	68	Geneva	C	3	37	Moscow	S	-10	14	Sydney	C	32	90
Bangkok	S	31	88	Gibraltar	S	14	57	Munich	Sn	0	32	Taipei	R	16	61
Barcelona	S	12	54	Guernsey	C	4	39	Nairobi	S	27	81	Tangier	F	13	55
Beirut	C	14	57	Helsinki	S	-13	9	Naples	F	13	55	Tehran	–	–	–
Belgrade	R	4	39	H. Kong	R	16	61	New Delhi	C	21	70	Tel Aviv	C	14	57
Berlin	Sn	-1	30	Innsbruck	C	0	32	New York	Sn	-3	27	Tenerife	C	19	66
Biarritz	R	5	41	Inverness	F	3	37	Nice	S	12	54	Tokyo	S	11	52
Blackpool	S	4	39	Istanbul	S	10	50	Oporto	F	10	50	Toronto	Sn	-2	28
Bordeaux	C	4	39	Jersey	C	5	41	Oslo	F	-4	25	Tunis	F	16	61
Brussels	R	2	36	Jo'burg	S	24	75	Paris	R	2	36	Valencia	S	13	55
Budapest	C	1	34	Las Palmas	C	18	64	Prague	C	-1	30	Venice	C	3	37
B. Aires	S	32	90	Lima	S	29	84	Reykjavik	C	1	34	Vienna	C	0	32
Cairo	S	17	63	Lisbon	C	9	48	Rio de J'o	C	32	90	Warsaw	C	-2	28
Cape Town	S	23	73	Locarno	F	5	41	Rome	C	12	54	Zurich	Sn	2	36
Caracas	S	28	82	London	C	3	37								
Casablanca	C	13	55	Los Angeles	R	12	55								
Copenhagen	Sn	0	32	Luxembourg	C	1	34								
Corfu	C	14	57	Madrid	F	8	46								
Dublin	C	3	37	Majorca	F	11	52								

Readings at mid-day yesterday.

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

EEC budget reform

Continued from Page 1

Britain's 1982 payments to the EEC budget.

He stressed that the British Government's views were identical with those of the parliament on the need for "a lasting and comprehensive Community solution to the budget problem."

If the parliament were to do as it did last December and again block the UK's rebate, Community interests would be damaged and its image tarnished in the eyes of the British people, Sir Geoffrey warned.

The Commission's long-term objective, to be explained in a speech to the parliament by M Gaston Thorn, Commission President, is to convince MEPs that it is now grappling seriously with the problems of financing the Community to find a permanent settlement of the British budget problem.

The Commission will produce concrete proposals in the next two to three months after weighing reactions from the parliament and member governments. The green paper confirms the Commission's previously stated wish to increase the 1 per cent VAT ceiling on Community budget revenues.

What is not clear is whether the Commission will propose a new ceiling

Timex grants frozen

Continued from Page 1

ter a meeting with representatives of the 1,900 Timex employees who were made redundant last month in Dundee.

The UK's particular concern is that the level of French aids offered to Timex cuts sharply across EEC regional development policy.

Although Dundee is within a special development area, giving it a top priority within the Community, the UK was unable to match aids in Besançon where the new Timex plant is believed to have no EEC development status.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: John Davies, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday February 8 1983

TWA forecasts further heavy losses in 1983

BY RICHARD LAMBERT IN NEW YORK

TRANS WORLD Airlines (TWA), one of the largest airlines in the U.S. and the biggest on the transatlantic routes, expects to make further substantial losses in the early months of 1983 and also faces the possibility of a strike by its flight attendants.

Unless there is a substantial improvement in yields and passenger traffic, TWA does not expect to earn a pre-tax profit this year.

This bleak forecast comes in a prospectus published yesterday as part of the process by which Trans World Corporation, the airlines parent plans to sell to the public part of its ownership in the company.

The indicated price of the 5m share offering, which is unlikely to take place before the end of next week at the earliest, is in the range of $14 to $17 per share to raise up to $85m. This compares with a book value at the end of 1982 of just over $17 a share.

The stated reason for the sale is that the holding company wants each of its subsidiaries to have an independent capacity to finance its operations. The airline has made operating losses in three of the last five years, and has a highly geared balance sheet with long-term debt of more than $1bn and total stockholder's equity of $585m.

In the prospectus, the airline says that it is subject to more competition on its domestic routes than the average domestic airline, and that as a result its earnings have been worse than average. It is also subject to keen competition on its international routes. It carried about 17 per cent of all transatlantic passengers on scheduled services in 1982.

TWA says it is not looking for any improvement in the first quarter of this year over the pre-tax loss of $110m incurred in the same period of 1982.

It also warns that a strike could *be called by the Independent Federation of Flight Attendants* when a cooling – off period ends on March 5. It says that the results of such a strike would be "significantly adverse."

Wall Street seems to be in a receptive mood to fund-raising efforts by financially strapped airlines.

Grundig suggests new merger structure

By Stewart Fleming in Frankfurt

GRUNDIG, the West German consumer electronics group which is seeking to be bought out by Thomson-Brandt of France, confirmed yesterday that it had been discussing alternative structures for the proposed merger with the West German Cartel Office.

At first, the intention was that Thomson-Brandt would take a 75.5 per cent stake in Grundig, leaving the Dutch Philips electronics concern with the outstanding 24.5 per cent.

This plan has run into strong opposition in political quarters and from trade unions, and it has been widely assumed that the Cartel authorities would oppose it on competition policy grounds, since it would bring together three powerful competitors on the West German consumer electronics market.

Precisely what alternatives Grundig and Thomson-Brandt have come up with is not known. One, however, is that the Grundig Foundation, which holds the Grundig family stock, should retain a slightly increased stake of just over 15 per cent.

This, under West German law, would give it a blocking minority vote, which, Grundig hints, would allow it, for example, to ensure that jobs in Germany were not lost after a Thomson-Brandt takeover.

Implicit in this proposal is that Philips sell out, for – in Cartel Office terms – it would be harder to approve such a deal if Philips remained a major shareholder.

Hitherto, however, Philips has maintained that it wants to stay a Grundig shareholder.

At what price it might be prepared to withdraw is only a matter of speculation. This new suggestion would also leave unresolved the future of AEG-Telefunken's consumer electronics subsidiary, which, at one time Grundig was expected to absorb.

U.S. CREDIT-RATING AGENCY ANNOUNCES EXPANSION INTO EUROMARKET

Standard & Poor tackles Europe

BY ALAN FRIEDMAN IN LONDON

THERE ARE not many individuals who can strike terror in the hearts of finance ministers, corporate executives and North American municipal politicians, but the solemn men and women from Standard & Poor's Corporation are among the few who do.

Standard & Poor's, the New York based credit rating service which prides itself on low-key objectivity, yesterday went to London to announce a major expansion into the *Euromarket.*

The company is supplementing its decision last June to assign ratings to Eurobond issues of both U.S. and non-U.S. entities, and is now launching an international version of its weekly monitoring service publication, CreditWeek.

S & P may not be a household name but its work on U.S. credit ratings makes it well known to bankers. It has also been active for some time in rating borrowers in the international syndicated-loan market. Take, for example, what happened to the Kingdom of Denmark last month.

After several months of analysis and talks between S & P and Denmark's finance ministry officials, the agency announced on January 6 that it had cut the country's credit rating from Triple A (the best) to Double A plus.

The decision was not taken lightly. *Mr Howard Hosbach*, S & P president, says he spent three hours with Denmark's finance minister last November.

"We expressed in detail our concerns. We always try to be fair to the issuer. We like to give everyone an opportunity to provide every single item which is germane to a rating," he said.

Denmark's argument was not strong enough to sway S & P and so its rating was cut. According to S & P, the move reflected structural imbalances in the Danish economy affecting, in particular, the external sector and the budget *deficit. It came at an embarrassing* time, just as Denmark was negotiating a $1bn Eurocredit.

Five days after the rating was cut the $1bn deal was announced and it became quickly apparent that while bankers had expected the cut, they were able to make use of the S & P decision to push Denmark into tougher terms than it had accepted previously. The general market environment was also one of tougher terms.

Mr Hosbach says he is well aware of S & P's "responsibility" and he repeatedly stresses his desire to see the agency preserve its "integrity" to both issuers and investors.

This is why he is leading a delegation of top S & P executives through London, Frankfurt and Zurich this week. More than 600 institutional investors in the Eurobond market, including representatives *from neutral banks*, are attending S & P seminars to familiarise themselves with the company's rating methods.

Mr Howard D. Hosbach

CreditWeek International is designed to provide a weekly update on Euromarket, corporate and sovereign credit ratings. The listing covers *1,200 outstanding Eurobond* issues totalling around $60bn.

Last year S &P rated about 100 new Eurobonds, accounting for 75 per cent of all Eurodollar bond volume.

Mr Hosbach points out that a borrower may receive a rating in the Euromarket that may differ from its rating in the U.S. As an example, he cites the $60m 11¾ per cent 1990 Eurobond for the offshore finance company of Arizona Public Service. The finance company has been rated Triple B plus in Europe. In the U.S. the parent, the utility itself, is rated A minus, which can make a considerable difference to an investor's view.

Why the difference? The European borrower, although guaranteed by the parent Arizona Public Service Company, is viewed as unsecured. The extant U.S. issues for the same borrower, however, are secured by a first mortgage arrangement. That makes all the difference, Mr Hosbach says.

Eurobonds frequently involve new borrowing techniques unused in the U.S., he adds. "Not a week goes by when underwriters do not introduce a new type of debt instrument. We have to analyse the normal criteria and a whole new potpourri of factors."

For its trouble, S & P seems to be doing quite well: its 1982 pre-tax profit was $26.5m, up 36 per cent on 1981. Revenues touched $106m last year, a rise of 23 per cent.

To ensure their position in the credit rating business (there is always the threat of competitor Moody's lurking around the corner), S & P is launching a $3m new computerised data base, to be called the Interactive Rating System. Mr Hosbach claims this will become "the world's most sophisticated credit rating system," but adds it will not be complete for another year or two.

In the meantime, he admits that "about 50 per cent of a rating is statistical analysis and the rest is judgment."

Texas Instruments lifts profits by 33% after reorganisation

BY PAUL TAYLOR IN NEW YORK

TEXAS INSTRUMENTS, the leading U.S. manufacturer of semiconductors and electronic consumer products, yesterday reported a 16 per cent increase in fourth-quarter net income and a 33 per cent gain in full-year earnings.

The results follow TI's reorganisation attempts to cut costs and return to higher levels of growth and profitability after the 49 per cent decline in full-year net income for 1981.

Fourth-quarter net income increased to $42.6m, or $1.80 a share, compared with $36.7m, or $1.56, in the corresponding 1981 quarter on sales which increased by 6 per cent to $1.107bn compared with $1.05bn.

For the full year, TI reported net income of $144.0m, or $6.10 a share,

North American quarterly results, Page 24

compared with $108.5m or $4.62 in 1981 and $212m in 1980, on sales which increased by 3 per cent to $4.327bn.

Profit from operations as a percentage of net sales slipped to 5.4 per cent from 6.0 per cent the previous year, but profit before tax as a percentage of net sales picked up to 4.9 per cent in 1982 compared with 4.2 per cent in 1981.

Mr Mark Shepherd, TI chairman, and Mr Fred Bucy, TI president, said that substantial gains in consumer electronics, continued strength in government electronics and modest improvement in semiconductors had not fully offset lower operating results in other business divisions. In addition, they said, the strength of the dollar had adversely affected 1982 margins.

Alsthom strengthens nuclear interest with CEM takeover

BY OUR PARIS CORRESPONDENT

ALSTHOM Atlantique, the diversified French engineering group, has completed the takeover, for nearly FFr 70m ($10m), of a controlling stake in Compagnie Electro-Mecanique (CEM), the loss-making electrical equipment manufacturer formerly in the hands of the Swiss-based engineering company, Brown Boverie et Cie (BBC).

The acquisition of the 72.48 per cent participation in CEM previously owned by BBC will give Alsthom added weight in specialist sectors of *electrical engineering* – especially in the nuclear field – and transport, where it has important activities. It also opens the door to CEM's industrial robots business.

Alsthom, part of the nationalised Compagnie Générale d'Electricité group, concluded an accord to buy CEM last July, but the deal was held up while the dossier was studied by the Ministry of Research and *Industry*.

The Government finally gave the green light last week, partly because CEM's financial state made a takeover urgent to save jobs.

CEM, hit by depressed orders for motors and railway and power station equipment, has made a loss of around FFr 200m over the past three years.

BBC agreed to sell its stake for FFr 27 a share. This was the price at which CEM shares were last traded before their suspension on the Paris bourse at the beginning of last week, and at which they resumed when quotation re-started on Thursday.

Alsthom has also agreed to pay FFr 27 a share to minority shareholders in CEM, who will be able to sell their shares up until the end to the month.

Alsthom is also paying BBC an additional sum – thought to be several hundreds of millions of francs – to compensate for the premature termination of a royalty transfer agreement between the two companies. Covering turbo-alternators, this was concluded in 1977, and had nine years still to run.

The bulk of CEM's activities, in thermal engineering, motors and electrical equipment, will be absorbed directly into Alsthom during a transition period of about a year. Alsthom has undertaken to rationalise CEM's operations and to cut out duplications in the two groups' activities, but to avoid redundancies among CEM's 9,000 workforce.

Profit doubles at Kvaerner

By Fay Gjester in Oslo

THE NORWEGIAN Kvaerner Group, the ship and platform builders and engineering consultants, more than doubled operating profits last year, compared with 1981, preliminary figures show. The group also expects a satisfactory result this year.

Profit for 1982, before extraordinary items, was NKr 340m ($47m) compared with NKr 160m in 1981. Extraordinary items made only a small contribution to total profits last year.

Deficit for Mexicana in 1982

By William Chislett in Mexico City

MEXICANA, Mexico's largest airline, which was nationalised last year, made a loss of about pesos 2bn in 1982, compared with a net profit of pesos 834m in 1981, according to the company's chairman.

The dramatic turnaround – its first loss in 15 years – was largely due to a long strike and to the 82 per cent devaluation of the Mexican peso which pushed up the cost of servicing its debts.

Sr Sosa de la Vega, chairman, said the new Government had decided not to merge Mexicana and AeroMexico, the state-run airline, to form one national airline company.

This idea was muted after Mexi*cana was taken over. He said*, however, that the two companies would co-ordinate their activities to avoid under-cutting one another.

Despite the company's heavy losses and the bleak outlook for the Mexican economy, which is undergoing a fierce recession, Sr Sosa de la Vega said he thought Mexicana would be back in profit this year.

Domestic flights have already been substantially cut this year. He said Mexicana's strategy to increase revenue would be to convince more U.S. tourists to fly to Mexico.

Unilever to cut jobs in the Netherlands

BY WALTER ELLIS IN AMSTERDAM

UNILEVER has announced that up to 1,000 of its 13,000 employees in the Netherlands are to lose their jobs this year as part of the group's continuing rationalisation plans.

Trade union leaders oppose the cuts and have expressed fears that Unilever may be considering a further decrease in its Dutch workforce in favour of an expansion of production in low-cost countries.

Last year, 1,100 jobs were shed within Unilever's Dutch operation, largely through a run-down of work at the advertising agency Lintas, closures in the meat processing sector and the merger of Unilever's industrial resins division with that of Dutch State Mines.

According to Unilever management, the company in the Netherlands can compete in world markets only if it remains in front with technology. Although the Dutch operations are profitable, some activities are marginal and have to be restructured.

Plans include shedding 300 jobs at the Unilever Vlees Groep, engaged in meat processing, and at Iglo, the deep-freeze venture. Union leaders accept that job cuts are inevitable but are concerned about where else the axe will fall.

Management denies that Unilever is slowly withdrawing much of its present production from the Netherlands but so far has not discussed its strategy with workers

● RSV, the Dutch shipbuilding group which is to receive no more state aid in its present form, is expected to lay off 3,500 workers at its De Schelde yard in Flushing and two repair yards in Rotterdam.

The Government will seek to maintain jobs for about 5,500 employees at the three companies which, as part of RSV, are 46 per *cent state-owned*. Altogether, about 6,000 of the 17,000 jobs at RSV are set to disappear following the Government's refusal last week to come up with a rescue package.

CBS reports decline on full year

By Paul Betts in New York

CBS, the large New York-based diversified broadcasting and communications company, yesterday reported declines in both fourth-quarter and full-year earnings compared with the corresponding periods in 1981.

Fourth-quarter earnings from continuing operations declined 23 per cent to $52.5m from $68.4m in the last period of 1981.

But a loss from discontinued operations, including a loss on the disposal of the company's retail stores business, cut net income in the final quarter to $35.7m. This was 12 per cent lower than net earnings of $40.5m in the final period of 1981, which included a loss of $27.9m stemming largely from the company's decision to discontinue its paperback book business.

CBS has revenues of $1.22bn in the last quarter compared with revenues of $1.13bn in the fourth quarter of 1981.

Lucerne bank writes off SwFr 45.9m

By John Wicks in Zurich

THE LUCERNE Cantonal Bank has written off a further SwFr 45.9m ($22.5m) in its 1982 accounts, largely to cover losses anticipated in connection with three corporate failures in the canton. This follows a write-off amounting to around SwFr 44m the previous year.

Of the new depreciation SwFr 22.5m is needed to offset loss risks involving the construction company, Cobau, and the wood processing group, Zurkirchen. These companies had been the cause of a large part of the bank's 1981 write-off.

The bank, the third largest of Switzerland's 29 cantonal institutes, says that contrary to expectations the 1981 depreciation proved insufficient particularly because of the negative outcome of a court case in New York involving the Zurkirchen group.

A sum of about SwFr 8m has been written off in connection with the bankruptcy of the Lucerne company, Transfertex, another of the bank's debtors.

In addition, about SwFr 15m has been set aside in the form of depreciation and provisions against risks involving clients affected by the recession.

Overall a figure of SwFr 27.4m has been obtained by mobilising unpublished reserves. This follows a similar transfer of SwFr 38m in the 1981 accounts.

The real net profits of the bank went up in 1982 from SwFr 19.84m.

● Bank of Liechtenstein, of Vaduz, has recommended an unchanged 10 per cent dividend for 1982 on increased share capital of SwFr 80m on profits of SwFr 16.21m ($7.95m).

The bank, whose balance-sheet total rose by 26 per cent over the year to SwFr 2.52bn, improved its net earnings, before carried-over profits, from SwFr 12.3m to SwFr 15.4m.

French investment bank may call for a capital increase

BY DAVID MARSH IN PARIS

BANQUE PRIVEE de Gestion Financière, the French investment bank whose chairman resigned last Wednesday over a property development which misfired, is considering *calling on its foreign shareholders* to contribute to a capital increase in the event of large losses from the deal.

Bank officials said that losses from the property promotion – put in the French press at more than FFr 100m ($14m) – are still only hypothetical as the building, in the La Defense complex west of Paris, has yet to be sold.

The building, covering 64,600 square metres of prime office space, is to be used for IBM's Europe, the *Middle* East and Africa headquarters. IBM is due to move in under a rental contract this summer.

French institutional investors bidding for the building – a two-tower complex of 18 and 27 storeys – consider the property is worth only FFr 900m, while completion costs financed by BPGF are FFr 1.05bn. the difference of FFr 150m explains the figure for the potential loss.

BPFG officials said yesterday that the bank was negotiating with potential foreign buyers – including *Middle East interests – who might* be prepared to pay a more "realistic" price. They emphasised that if a higher price were negotiated, losses might not arise and the need for a capital increase could be avoided.

The bank, with an equity capital of FFr 102m and total capital funds (including reserves) of FFr 340m, is 51 per cent owned by foreign shareholders. These include J. Henry Schoder Wagg with 14.7 per cent, Société Générale de Belgique, 11.7 per cent, *Amsterdam-Rotterdam* Bank, 9.8 per cent and Crédit Suisse First Boston, 6 per cent. The Swiss Electrowatt group has 6.4 per cent, with some private nonresident individuals also holding small stakes.

French shareholders include Crédit Lyonnais with 18 per cent, the Banques Populaires co-operative banking group, 8 per cent and the Caisse des Depots et Consignations, 2 per cent. About 20 per cent of the shares are "floating" and are quoted on the Paris bourse.

The bank, which made declared *net profits of FFr 34m in 1981 and* says it recorded profits of around FFr 10m to FFr 15m for 1982 (although the accounts have not been completed), is one of the most important French investment banks. It has always, however, preferred to adopt a low profile.

The chairman, M Jean-Luc Gendry, resigned last Wednesday and was replaced by M Gilles Brac de la Perriere, a long-established banker in the classical mould.

The bank escaped nationalisation in 1982 because it was a foreign-controlled institution. Some bank officials believe Crédit Lyonnais would like to use the bank's difficulties to increase its stake and mastermind a back-door nationalisation. This has been denied by officials in charge of the banking sector at the Finance Ministry.

Mexico set to repay private debt arrears

By Our New York Staff

MEXICO will make the first overdue repayment on its $1bn of private-sector interest arrears this week, and has authorised Mexican banks to sell dollars to private companies to cover current balance payments as they fall due.

Citibank, the New York bank which is acting as co-ordinator in the Mexican debt discussions, announced the developments.

Mr Bill Rhodes, Citibank senior vice-president, said the bank had been informed that Mexico would pay 10 per cent of the balance of all private-sector interest deposit accounts at the Bank of Mexico on February 10, based on outstanding balances at the end of January.

This first payment of the private sector interest arrears was due on February 1 but had been delayed by a number of factors, including delays *completing* the $5bn *international* commercial credit.

Citibank said yesterday that in excess of 500 commercial banks had so far committed $4.8bn out of the $5bn requested. The bank added that it expected to have reached the target "by the end of this month."

William Chislett in Mexico City adds: Foreign bankers in Mexico were surprised that the first payment would be made this week.

The bankers had believed that the payment could not be made until the country received in full its new $5bn commercial credit. This loan is not expected to be in place until the end of the month, but apparently there are sufficient dollars on hand to begin the interest arrears payments.

Rieter to pass payout after loss

BY OUR ZURICH CORRESPONDENT

MASCHINENFABRIK Rieter, the Winterthur-based textile machinery manufacturer, is to recommend that the dividend for the year to October 31, 1982 be passed.

In 1980-81, the company distributed unchanged dividends of SwFr 310 per registered share, and SwFr 31 per participation certificate.

This follows a net loss last year of SwFr 4.6m ($2.25m), and compares with net earnings of SwFr 13.5m for 1980-81 and SwFr 15.3m the previous year.

The marked decline in profitability is a result of the depressed international market for textile machinery. Because of narrower price margins and a drop in volume, sales fell by 6 per cent in 1981-82 to SwFr 328m and the company says it was forced to accept some orders at prices which did not cover costs.

● *Eurofima, the Basle-based* company which finances rail rolling stock, increased its financing volume by 34.4 per cent last year to SwFr 1.25bn ($611m), with a simultaneous rise in the repayment of borrowed funds of 51.8 per cent to SwFr 510m.

At the end of 1982, a total of SwFr 6.67bn of Eurofima financing was distributed among 12 European railway administrations, almost one-half of this sum to the French and Italian rail systems.

A total of 154 locomotives and rail-cars, 619 passenger carriages *and 3,078 goods wagons were fi*nanced last year. Eurofima said that the recession has meant increased investment to ensure that the railways remain competitive.

The company, jointly owned by the railways, showed an increased net profit for the year of SwFr 22.2m

Robert Cottrell on Hong Kong's troubled deposit-taking companies

Restructuring hits DTCs

TO LOSE one secondary bank is a misfortune—to lose six smacks of carelessness. But such is the situation in Hong Kong, where six deposit-taking companies (DTC's)—the small fry of the banking system—have had their registrations revoked. A seventh has been suspended, while the directors of an eighth are helping police with their inquiries.

The coincidence of a collapsed property market and fringe banking delinquencies is likely to evoke ominous memories for anybody who was around the City of London ten years ago. But the problems of Hong Kong DTC's over the last three months are notable for the degree to which they are *not* directly the result of the property collapse.

There is an indirect link between DTC problems and the property market, in that the property collapse has cast a shadow over the balance sheets particularly of overseas banks in Hong Kong, which may in turn be less enthusiastic about exposing themselves to local DTC's through the interbank funding market.

More germane to DTC difficulties is a Government-ordered restructuring of Hong Kong's credit institutions, the effect of which is to push short-term public deposits out of reach of registered DTC's, and into the exclusive domain of licensed banks. When the two-year restructuring is completed in July this year, DTC's will be expected to have run down their short-term deposit holdings to nil, and to be accepting from the public only deposits of more than HK$50,000 (US$7,560) with a maturity of more than three months.

An intermediate category, licensed DTC's, has come into being as a result of the restructuring. Licensed DTC's — a couple of dozen, compared with over 350 registered DTC's — can take deposits of over HK$500,000, for any maturity. These are effectively Hong Kong's "merchant banks" offering a range of financial services as well as cash to corporate and professional clients.

Short-term money

The running-down of short-term money with registered DTC's is well in hand. In June 1981, public deposits with DTC's totalled HK$60bn; of which HK$35bn was of less than three months maturity, including around HK$4bn deposited with "independent" DTC's (so-called because they are not owned by banks). There are estimated to be some 40 active non-bank-owned DTC's.

By the end of October last year, public deposits with DTC's were down to HK$43bn with a short-term element down to HK$7bn and of this just HK$400m was lodged with independent DTC's.

But over the same period June 1981 to October 1982, total assets and/or liabilities of the DTC sector rose from HK$184bn to HK$264bn. As deposits from the public fell, so dependence on interbank funding increased.

By weaning DTC's off public deposits and on to interbank borrowing, the Government is uncoupling a potentially volatile link between short-term small-savers' cash and a diverse array of usually small DTC's the managements of which might, in some cases, lack an established financial track-record. Before the Government stopped registering non-bank-owned DTC's in April 1981, applicants had the right to be registered so long as they met minimum capital requirements and were not deemed "positively undesirable."

But dependence on interbank funding has its own pitfalls for independent DTC's, which lack an umbilical cord to a parent bank. In the nervous financial markets of Hong Kong, one or two banks "pulling" credit lines can do as much damage to a DTC's liquidity position as a modest "run."

The steadiness of bankers' nerves *vis-a-vis* DTC's was tested last November, as problems arose which have since seen the six DTC registration revocations. On November 15, Dollar Credit hit liquidity problems on its HK$860m loan portfolio. Mr Willie Yu, its chairman disappeared, and has not been seen in Hong Kong since.

Three days later, another DTC, Axona International Credit and Commerce was rumoured to be in difficulties and the shares of its quoted parent, Axona International Holdings, were suspended. On November 22, Axona confirmed "short-term liquidity difficulties." It subsequently linked up with two other DTC's, Tetra Finance and Hongkong Deposit and Guaranty, in a search for U.S.$35m to restore the trio's liquidity position.

Would the evident problems of a handful of DTC's cause banks to rein in their exposure to the sector as a whole, pushing others over the brink? It was probably a very close-run thing, until the Hongkong and Shanghai Bank, taking the effective role of unofficial central banker to the Territory, shored up confidence with a declaration on November 21 that it would support "soundly-based and well-managed" DTC's with temporary liquidity difficulties. While some DTC's were undoubtedly vulnerable in the wake of Dollar Credits problems, fears of a major ripple-effect calmed.

The Hongkong Bank did not rescue the Axona-Tetra-HKDG trio, whose registrations were revoked last week by Hong Kong's Banking and DTC Commissioner, Mr Colin Martin. Dollar's registration had already been revoked, as had that of Whitehall Finance, another liquidity-sequeezed DTC which by the end of 1982 was being sued by three financial institutions.

The sixth DTC to have its registration revoked, America and Panama Finance, failed to open for business early last month. Unlike the other five delinquents, whose creditors were institutions, America and Panama took down with it small savers' money. Small savers have also been caught up in problems at the finance group, CBG which failed to open for business last week.

Latest casualty

The latest casualty among DTC's is First Hongkong Credit, owned by the local property developer, Mr Kevin Hsu. FHC has seen its registration suspended—an interim measure to prevent a DTC taking new deposits while allowing time for it to try to restock its liquid assets.

The difficulties of the DTC sector have brought criticism of the effectiveness of its "prudential supervision" by financial institutions. The Banking and Oil Commissioner's office checks statutory liquidity ratios of banks and DTC's on a monthy basis, and looks out for such danger signs as unsecured lending to directors or speculative equity investments. But demonstrably, it is not a net fine enough to catch all the irregularities among the Territory's 500 credit institutions.

Japan's drug groups pin growth hopes on new products

BY YOKO SHIBATA IN TOKYO

JAPAN'S PHARMACEUTICAL companies have turned energetically to the development of new drugs, encouraged to do so by a cut in Government outlays under Japan's National Health Insurance (NHI) system and by intensified competition in the international markets.

Heightened competition has lately reflected itself in breaches of regulations by some medium-sized Japanese drug makers, but, on a broader basis, the current, expansionary drive raises the prospect that that Japan will emerge in coming years not only as the world's leading producer of cars and video tape recorders, but also as the world's leading drugs maker.

Japan's Ministry of Health and Welfare has reduced drug prices under the NHI reimbursement scheme by an average of 4.9 per cent, from the beginning of this year. This follows a cut of 18.6 per cent in 1981. The latest reduction is expected to reduce government outlays by Y210bn ($910m) over the year.

The system has at the same time, expanded the business of the pharmaceutical companies, which number 2,000, including some 80 which may be considered as large and which have annual sales of Y4,000bn ($17.3bn), and account for roughly 15 per cent of the world drug markets, taking second place only to the U.S.

The reduction in the prices of ethical drugs is expected to cause a shakeout among the weaker drug makers, without profitable, newly-developed drugs of their own. The reasons for this are:

- The NHI price reductions on newly-developed drugs are relatively low;
- The terms on which newly-developed drugs can be protected from imitation has been extended to six years.

The gross profit margin on an in-house developed drug is about 75 per cent while on those made under licence it is about 50 per cent.

Increasing competition means that mergers between large and small makers, and joint research ventures between small companies are to be expected.

The leading drugs makers, for their part, are faced with the problem of falling profit margins on newly developed drugs—caused by their shorter life-span as international competition rises—as well as to the NHI price reduction.

As their domestic profits fall, they are moving into overseas markets. A recent stepping-up of research and development expenditure to around 10 per cent of total turnover reflects the underlying need for companies to develop their own new drugs.

Antibiotics are now flowing around the market in quantities that patients can hardly absorb. Antibiotics account for almost 25 per cent of the drugs sold in the Japanese market.

Close to the centre of the new drugs development are anti-cancer products, in the several forms to which various companies, such as Takeda, Toray, Teijin, Asahi Chemical and Suntory are involved.

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Morgan Grenfell	11 %
Bank Street Sec. Ltd.	10½%	National Westminster	11 %
Banque Belge Ltd.	11 %	Norwich Gen. Tst.	11 %
Banque du Rhone	12 %	P. S. Refson & Co.	11 %
Barclays Bank	11 %	Royal Trust Co. Canada	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Slavenburg's Bank	11 %
Brit. Bank of Mid. East	11 %	Standard Chartered	‖11 %
■ Brown Shipley	11 %	Trade Dev. Bank	11 %
Canada Perm't Trust	11½%	Trustee Savings Bank	11 %
Castle Court Trust Ltd.	11½%	TCB	11 %
Cayzer Ltd.	11 %	United Bank of Kuwait	11 %
Cedar Holdings	11 %	Volkskas Intl. Ltd.	11 %
■ Charterhouse Japhet	11 %	Westpac Banking Corp.	11 %
Choulartons	11½%	Whiteaway Laidlaw	11½%
Citibank Savings	¶ 9 %	Williams & Glyn's	11 %
Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	12 %	Yorkshire Bank	11 %
Comm. Bk. of N. East	11 %		
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%, 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 8%.
§ Demand deposits 8%.
¶ Mortgage base rate.

Kuwait to form cheque crisis asset fund

BY KATHLEEN EVANS IN KUWAIT

LEGISLATION is expected to be introduced into Kuwait's national assembly next week to establish a special trust fund to help the country avoid hundreds of bankruptcies threatened by last year's collapse of the unofficial stock exchange.

The trust fund will be designed to take over the assets of the major dealers, many of whom are already facing possible bankruptcy proceedings. The fund will then issue discountable bonds according to the settlements potential bankrupts are able to make, say local financiers.

The move hold out the prospect that creditors will receive something from the major dealers. Some eight of the major speculators account for KD 18.5bn ($64bn) of the total of KD 27bn in post-dated cheques involved in the Souk al-Manakh crises.

A net deficit of KD 3.3bn among big investors existed and there were fears by the local financial community that if action was not taken by the Government, a chain reaction of bankruptcies could be set off.

The Government also announced over the weekend that it intends to extend the maturity of all cheques by six months. Many of last summer's cheques were to fall due this month.

Late last week the first bankruptcy proceedings began. Those closely involved in the cases said that defence lawyers in their opening speeches had taken full opportunity to emphasise the negligence of the Government in allowing the unofficial stock exchange to operate.

UK COMPANY NEWS

Turner & Newall U.S. unit 44% ahead

BY OUR FINANCIAL STAFF

TURNER & NEWALL, the plastics, automotive components and chemicals group, which is selling its 63.5 per cent stake in Philip A. Hunt Chemical Coporation for $90m, reports a 44 per cent increase in net income from the U.S. subsidiary for 1982.

The figure amounted to $5.3m, against $3.7m, or 93 cents per share, (compared with 64 cents), net income for the final quarter being $235,000, compared with a $664,000 loss last time.

As a result of a general decline in economic activity, sales were down in the fourth quarter from $29.6m to $25.7m, although for the full year the total was ahead from $111.87m to $114.85m.

On December 29 last, Turner announced that it had agreed to sell its shareholding in Hunt to Olin Corporation of Stamford, Connecticut.

Hunt's improved earnings for 1982 reflected increased sales of colour chemistry to the photofinishing industry and photoresists to the semi-conductor industry.

They explain that the reduction on fourth quarter sales in the U.S. resulted primarily from extended holiday shutdowns taken by customers in the electronics industry, while in Europe sales were significantly lower in the electrostatics industry.

The directors say Hunt improved the quality of its assets through rigorous programmes for inventory and accounts receivable management. As a result, the net cash flow increased by $12m.

Private purchaser rescues Caravans International assets

BY RAY MAUGHAN

THE ASSETS and trade name of Caravans International's principal manufacturing business have been acquired from the receiver by a private company, Commercial and Industrial Securities.

The remaining 200-strong workforce at the Newmarket manufacturing site were made redundant by the receivers, Mr Mark Homan and Mr Peter Padmore of Price Waterhouse, at the end of last week, but the new owner started re-employing yesterday, after striking the deal at noon.

Caravans International (CI) went into receivership shortly before Christmas and had been in Barclays Bank's *"intensive care" unit* for some time. The new buyer of the manufacturing operations has been backed extensively by other banks to purchase assets which are thought to be worth some £5m.

Commercial and Industrial Securities (CIS) has two large shareholders: County Bank, the merchant banking arm of National Westminster and Industrial and Commercial Finance Corporation, the corporate finance vehicle, jointly-owned by several leading UK banks.

CIS is also buying from the receiver a 49 per cent holding in CI Finance, the instalment credit group in which North West Securities holds the controlling interest.

North West is, in turn, owned by the British Linen Bank, which is providing a £1m plus, medium-term loan facility to CIS. British Linen is a subsidiary of the Bank of Scotland.

Additional finance has been raised by the issue, through Illingworth and Henriques, the Manchester-based stockbroking firm, of some £900,000 of convertible loan stock, which has been underwritten by Touche Rosse, the City invest*ment group.*

CI holds an estimated quarter share of the UK touring caravans market and is put together with CIS' interests in the fixed and residential caravans operations.

CI lost £3.2m in the year to August last year and lost heavily in the subsequent months.

It had been hoping to raise more working capital but its debts had risen to some 150 per cent of the net worth of the company.

V and G creditors to receive payments

By Eric Short

AROUND 465,000 creditors in the motor insurance company, Vehicle and General Insurance, are to receive a final payment of 20.273p in the pound – almost 12 years after the company was put into liquidation. The payment will be made later this month.

In addition, 58,000 creditors with V and G's subsidiary companies will also receive final dividends.

This will bring the total payment to V and G creditors to 80.273p in the pound. Creditors *in three of the four subsidiaries* will receive 100p in the pound, while payment in respect of the fourth subsidiary will be 89.198p in the pound. Since the V and G creditors are not being paid in full, V and G shareholders will receive nothing.

This will bring to an end, once the final formalities are completed, one of the longest-running failure sagas in the history of UK insurance.

The group started operations in the early 1960s and grew rapidly as a result of competitive premium rates offered to motorists. It ran into financial trouble at the beginning of 1970, when claim costs began to escalate rapidly.

An investigation by the De*partment of Trade, which lasted* five years, was highly critical of the company's three executive directors and referred to risky investment policies, over-optimism and a refusal of these directors to face facts.

A report from the Joint Liquidators, Sir Kenneth Cork and Mr Paul Shewell, of the accountancy firm, Coopers and Lybrand, announced that the liquidation of assets, including interest, realised £22.5m.

BOC Group profits fall £6.5m in first quarter

BY OUR FINANCIAL STAFF

BOC GROUP, the industrial gases producer, suffered a decline in first-quarter pre-tax profits in line with expectations, according to the directors. Pre-tax profits dropped from £23.1m to £16.6m for the three months to December 31 1982, on increased sales of £384.9m against £360m.

The directors predict that 1983 will be a difficult year for the group but they are continuing to invest substantially in the long-term future.

Results for the first quarter reflect the worldwide recession in all the regions in which the company trades, in particular the continued deep recession in the U.S.

While the health care business experienced further growth in sales and profits, the performance of industrial gases operations was broadly unchanged, and the carbon graphite and welding businesses operated at a loss.

In the last full year, pre-tax profits stood at £102.6m against £105.5m on sales of £1.53bn (compared with £1.52bn). In the last annual report Sir Leslie Smith, the chairman said profits during the first two financial quarters of 1982/83 would be well below those of the previous year.

Profits for the period under review were affected favourably by currency translation gains of £0.5m and additional capitalised interest of £1.8m, say the directors. However, falling inflation in the company's two main trading areas, Europe and the U.S., reduced realised stock holding gains by £4.4m which, the directors point out, helps account for the decline in profits.

During the coming year the directors expect the group's capital expenditure programme to rise from £220m to about £300m.

A breakdown of operating profits as to region shows: Europe £11.9m (£9.3m); Africa £4.7m (£6.3); Americas £5.4m (£8.8m); Asia £0.8m (£0.6m); Pacific £7.9m (£6.2m); giving a reduced operating total of £30.7m against £33.2m.

Sir Leslie Smith, chairman of BOC

Operating profits were struck after increased operating costs of £321.4m (£295.6m). Depreciation rose from £28.8m to £35.7m, including £11.7m (10.5m) on a replacement cost basis.

Trading profits emerged down from £37.8m to £30.9m after related companies' profits of £3.1m (£2.2m). There were realised stock gains of £0.2m (£4.6m).

Interest charges for the first quarter amounted to £14.3m against £14.7m.

The charge for taxation fell from £9.3m to £5.9m which includes overseas tax of £3.1m (£7.2m). The effect of transactions under the U.S. Economic Recovery Tax Act has been to reduce the tax charge by about £3.3m (£3.1m).

After minorities of £2.3m (£2.5m), attributable profits emerged lower at £8.4m compared with £11m, equivalent to 2.35p (3.34p) net earnings per 25p share or 2.33p (3.16p) fully diluted.

On a current cost basis pre-tax profits were reduced from £23.9m to £20.5m and net fully diluted earnings per share were 3.13p (3.14p).

The balance sheet shows shareholder's funds at £979.7m against £883m for the three months to September 30 1982. Fixed assets increased from £1.28bn to £1.38bn.

Exchange probes Savory Milln

BY MARY ANN SIEGHART

LESS THAN a week after two stockbrokers were expelled from the Stock Exchange, it has been revealed that another Stock Exchange Council investigation has been under way, this time into alleged share-dealing irregularities at the broking firm of E B Savory Milln.

The three-man inquiry, which has reported its findings to the council, was led by Mr Richard Lawson, of Brokers W. Greenwell, who is also a council member. The irregularities are alleged to have been concerned with the firm's suspense account, on which clients' cash is kept before or after deals havae been made. Infringements of Stock Exchange Rule 202 1) may have taken place.

Savory has stressed that if any irregularities did happen, they were only technical infringements and did not involve any financial advantage to the firm or its members.

A major embarrassment to the firm is that the senior partner at the time of the alleged irregularities was Mr John Milln, a leading member of the Stock Exchange Council, who helped lead the 1981 inquiry into share-rigging operations.

Now that the findings of the inquiry have been reported to the council, it has referred the case to the disciplinary committee. The penalty could range from no action at all to expulsion from membership of the Stock Exchange. But if the public has not been disadvantaged in any way, penalties are likely to be less severe.

Last week, the council expelled from membership Mr Ian McEwan, formerly a partner in brokers Buckmaster & Moore, and Mr John Thompson, from jobbers Ackroyd & Smithers, for acting in a manner unbecoming members of the Stock Exchange.

Mr George Maitland Nissen, a member of the council, and former deputy chairman of the Stock Exchange, said "I've no idea what action the disciplinary committee is going to take. They will have to have hearings first and it could be a matter of months. There is nothing I can say at this stage."

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB *Telephone 01-621 1212*

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
137	120	Ass. Brit. Ind. Ord ...	137	—	6.4	4.7	8.0	10.5
154	117	Ass. Brit. Ind. CULS...	154	—	10.0	6.5	—	—
74	57	Airsprung Group	67	—	6.1	9.1	7.6	13.1
46	36	Armitage & Rhodes......	37	—	4.3	11.6	4.2	7.3
293	197	Bardon Hill	293	—	11.4	3.9	12.3	15.5
128	100	CCL 11pc Conv. Pref....	128	+1	15.7	12.3	—	—
270	240	Cindico Group	241	—	17.6	7.3	9.8	11.0
86	54	Deborah Services	54	−1	6.0	11.1	3.6	9.6
78	77	Frank Horsell	78xc	—	—	—	6.6	7.0
77	75½	Frank Horsell Pr Ord 87	77xd	—	8.7	11.3	6.5	6.9
83	61	Frederick Parker	69	—	6.4	9.3	3.5	6.7
55	35	George Blair	35	—	—	—	6.1	12.7
109	75	Ind. Precision Castings	75	—	7.3	9.7	9.6	12.1
138	100	Isis Conv. Pref.	138	—	15.7	11.4	—	—
129	94	Jackson Group	128	—	7.5	5.8	3.9	8.2
180	111	James Burrough	180	+1	9.6	5.3	13.1	14.6
260	168	Robert Jenkins	172	—	20.0	11.6	1.9	27.3
83	54	Scruttons "A"	73	—	5.7	7.8	9.5	11.4
167	115	Torday & Carlisle	115	—	11.4	9.9	5.2	8.8
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	71	Walter Alexander	72	—	6.4	8.9	5.1	7.4
267	214	W. S. Yeates	255	—	14.5	5.7	6.7	13.4

Prices now available on Prestel page 48146.

LADBROKE INDEX
based on FT Index
638-643 (+1)
Tel: 01-493 5261

RESULTS IN BRIEF

■ MEAT TRADE SUPPLIERS

Wholesale meat supplies

Half-year to Oct 2	1982	1981
	£	£
Sales	3.86m	3.93m
Pre-tax profit	75,002	132,010
Tax	39,001	68,645
Attributable profit	36,001	63,365
Earnings per share	1.37p	2.42p
Dividend	1.75p	1.75p

■ WEBBER ELECTRO COMPONENTS

Electrical component manufacturing and container leasing

Year to Sept 30	1982	1981
	£	£
Sales	915,000	762,000
Pre-tax profit	230,000	189,000
Tax	50,000	44,000
Attributable profit	176,000	143,000
Earnings per share	6.6p	7.13p
Dividend	3.5p	3.5p

■ ML HOLDINGS

Engineering and electronics

Half-year to Sept 30	1982	1981
	£	£
Sales	10.82m	12.93m
Pre-tax profit	309,123	453,488
Tax	160,744	235,814
Attributable profit	148,379	217,674
Earnings per share	3.73p	5.6p
Dividend	2p	2p

■ HOWARD SHUTTERING (Holdings)

Formwork and shuttering contractor

Half-year to Oct 31	1982	1981
	£	£
Sales	2.62m	2.68m
Pre-tax profit	203,000	227,000
Tax	105,000	118,000
Attributable profit	— —	— —
Earnings per share	1.3p	1.5p
Dividend	0.55p	0.535p

■ MALAYSIA RUBBER

Investment in plantations

*Half-year to Dec. 31	1982	1981
	£	£
Sales	— —	— —
Pre-tax profit	50,407	57,906
Tax	15,426	17,372
Attributable profit	— —	— —
Earnings per share	1.94p	2.35p
Dividend	— —	— —

* nine months

■ DRAYTON FAR EASTERN

Investment trust

Half-year to Dec 31	1982	1981
	£	£
Pre-tax revenue	267,229	284,432
Tax	129,806	131,811
Dividend	0.85p	1.2375p
NAV per share	85p	68½p

■ FLEMING AMERICAN

Investment trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	2.97m	2.44m
Tax	1.1m	838,000
Dividend	10.5p	9.5p
NAV per share	390.9p	301.5p

■ THE ENGLISH AND NEW YORK TRUST

Investment trust

Year to Dec 31	1982	1981
	£	£
Pre-tax revenue	2.96m	2.8m
Tax	1.18m	1.07m
Dividend	4.35p	4.15p
NAV per share	164.9p	131.5p

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of

Building Society Rates

on offer to the public

For further advertising details please ring:

01-248 8000 extn. 3606

FT COMMERCIAL LAW REPORTS

Laker restrained from suing bank in U.S.

MIDLAND BANK PLC AND ANOTHER v LAKER AIRWAYS LTD AND OTHERS
Queen's Bench Division (Commercial Court): Mr Justice Parker: February 4 1983

Where a company whose principal place of business is in the UK threatens an English bank with U.S. anti-trust proceedings in respect of alleged acts committed in the UK, the court may, having regard to the balance of convenience, restrain the company from joining the bank as defendant in the U.S., pending trial of an English claim by the bank for a declaration of non-liability.

Mr Justice Parker so held when granting an application by Midland Bank PLC and Clydesdale Bank PLC for continuance of interim injunctions obtained by them, pending trial of a UK action, restraining Laker Airways Ltd., its liquidator and its parent company, from proceeding against Midland and Clydesdale in an anti-trust action in the U.S. relating to the collapse of Laker Airways.

* * *

HIS LORDSHIP said that Laker was a Jersey company. It operated the Skytrain service between the UK and the U.S. Its principal place of business was in London, but it also had offices in the U.S.

On February 5 1982, Laker's parent company went into receivership under the terms of a floating charge in favour of Clydesdale Bank, a subsidiary of Midland Bank. Laker ceased trading and, shortly thereafter, it went into liquidation.

On November 24 Laker commenced anti-trust proceedings in the U.S. against eight defendants, claiming that they had brought about its collapse with the objective of eliminating it as an independent competitive force.

It was alleged that, as a result of the defendants' conspiracy, Laker had suffered damage of over $350m. That amount, "to be trebled as provided by law," was claimed jointly and severally against all the defendants.

On the day the American action was launched, Laker handed Midland a document referred to as "Attachment 7." It asserted, without evidence and without pointing to any contract between Midland and Laker, that Midland, having been in the forefront of attempts to save Laker up until January 25, had suddenly turned round and set about its destruction in concert with others.

Laker then threatened to join Midland as defendant in the American action.

On November 29 Midland and Clydesdale issued a writ against Laker, claiming a declaration that they were not party to any conspiracy in violation of the U.S. anti-trust laws, and seeking an injunction restraining Laker from proceeding against them in the U.S.

They were granted an *ex parte* injunction in the terms of the injunction sought in the writ. In the present application they sought continuance of the injunction till trial or further order.

As against the virtually wholly unsubstantiated assertions in Attachment 7, on which Laker based its intention to join Midland as defendant, Midland had filed cogent direct evidence that neither Midland nor Clydesdale conspired with anyone to harm Laker.

That evidence raised serious questions of fact which, if decided in Midland's favour, would or might result in its being under no liability to anyone. As the present application was for interlocutory relief, that was sufficient for Midland's purposes. It was no part of the court's function to go further and examine the evidence in detail, either for deciding issues of fact or for reaching any conclusion as to whether Midland was likely to succeed.

Assuming that, at trial, the facts would be determined in Midland's favour and might result in its being under no liability, the next question was whether it could show that it might be entitled to the declaration or injunction sought.

A court had jurisdiction to grant an injunction to restrain someone from proceeding in a foreign court, even where such proceedings had already been commenced. The jurisdiction must be exercised with caution, but it would be exercised if necessary to prevent injustice. Also, it was made clear in *Smith, Kline and French v Bloch, (Court of Appeal, May 13 1982)* that in an appropriate case a declaration of non-liability might be granted, but only with caution.

Hence, the question was whether there was a serious possibility that if the matter went to trial, the declaration or injunction, or both, would be granted.

If Midland established the facts, there was a serious possibility of its obtaining a declaration substantially in the form claimed. As to the injunction, the court, at the present stage, was merely called on to grant interim relief; if there was a serious question of the jurisdiction being exercised in favour of Midland at the end of the trial, then interim relief depended on the balance of convenience.

The dispute was between an English bank with no banking offices in the U.S., and a company whose principal place of business was in London. The acts for which the bank was allegedly liable were committed in London. The natural forum was therefore, *prima facie*, England.

Against that it was argued that the alleged acts were part of an international conspiracy in violation of U.S. anti-trust laws and that the U.S. was the only forum in which an anti-trust suit could be launched.

That argument was not significant, first because Midland, in its action, did not seek to go into the question of conspiracy between others; and secondly, if it were a party to the alleged conspiracy Laker would have a cause of action in the UK where it could recover full compensatory damages.

It would not recover triple damages as it would in an anti-trust suit, and its ability to do so was one of the juridical advantages of which it claimed it would be deprived if it were not able to join Midland in America. The other advantages included better discovery process, no liability for costs if it lost and trial by jury.

Those matters were not of great weight, whereas the disadvantages to Midland if Laker were permitted to proceed against it in America were very considerable. It would become embroiled in a conspiracy action covering some eight years, in which it was common ground that it was not involved at all until the last 10 days; it would be exposed to discovery processes regarded as oppressive in the UK, and it would be forced to defend a case in respect of acts allegedly done in the UK where all its witnesses and documents were situated.

Also, it would obtain no order for costs if it won, and might be subject to damages regarded in the UK as contrary to public policy, in respect of acts done, if at all, only in the UK. It would have litigation hanging over its head for much longer than would be the case if Laker pursued its claim in the UK, by way of counterclaim in the present action.

So little was put forward by Laker in support of the assertions in Attachment 7, and the assertions made were so inherently unlikely, that one wondered whether the real reason for the desire to join Midland was to try to force a settlement.

That suspicion was reinforced by the fact that the highly coloured account given by Attachment 7 ended with the information that Laker was advised that damages (by reason of trebling) would exceed $1bn and that if Laker lost, it would not be liable for Midland's costs.

There was at the very least a serious possibility that at the trial the declaration and injunction would be granted if the facts were established. If Laker were prevented from making Midland a party it would not be prevented from proceeding with its action. If, however, Laker were permitted to join Midland, Midland would be exposed to processes to which, on the facts, there might be no warrant for exposing it.

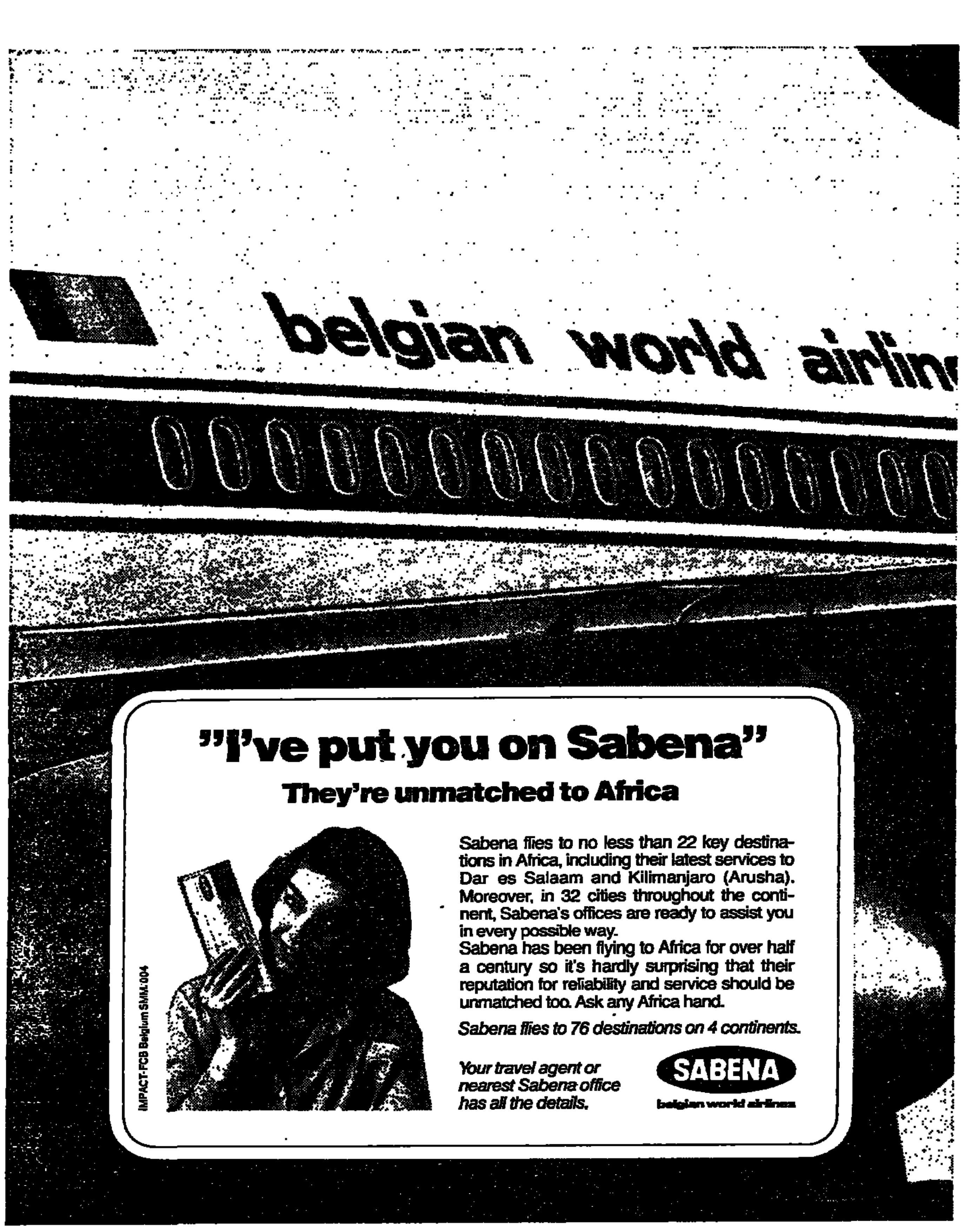
Midland was clearly entitled to be protected against Laker, and the injunction presently in force was therefore continued until trial. Clydesdale, though not yet directly threatened, was entitled to the same relief.

For Midland: Robert Alexander QC, Howard Page and Andrew Popplewell (Coward Chance).

For Laker: Andrew Bateson QC and Michael Crystal (Durrant Piesse).

By Rachel Davies
Barrister

UK COMPANY NEWS



REMPLOY SEEKS OUT BRIGHT IDEAS

Helping hand for small business

BY TIM DICKSON

REMPLOY, the Government-supported company which employs more than 8,700 disabled people in Britain and turned over more than £40m in its last financial year, is about to launch a major drive to sell its packaging and assembly services to small business customers.

Remploy is hoping particularly to find small companies or individuals who have a bright idea but no factory in which to exploit and manufacture it. Its message will be that these sorts of enterprises should consider concentrating on, say, marketing and technical development, while leaving somebody else to get on with production.

The Remploy campaign will consist of a mailing operation to enterprise agencies, industrial development officers and other "intermediaries" who come into contact with small businesses, followed up, where necessary, by presentations. It is being run by the company's Packaging and Assembly Group. (The other two groups are Leather and Textile Products and Furniture.)

P & A has four divisions and is engaged in a variety of work, including electrical and mechanical assembly, carton and box making, contract packing and the manufacture and marketing of its own products.

"We have always had a mix of big and small accounts," said Mr Tom Jeffries, group director of Packaging and Assembly. "Our large customers, for example, include British Leyland, for whom we assemble the steering columns of the Mini Metro, and Unilever. But we want to make it clear to small companies that we can also offer them a wide variety of skills, if they are trying to build up or expand their business.

"If they want a job done on a continuous basis without the problems of their own labour force, or if they just want to meet a temporary upsurge in demand, they can use our factories."

Mr Jeffries denies that this new push is related to any fall off in demand for Remploy's facilities. He points out that the company is now employing a record number of disabled people and that sales so far this financial year (ending March) are almost 20 per cent up.

"The encouragement given by the Government to the small business sector has highlighted the possibilities of providing a service for new businesses. It is the latest of a number of initiatives to increase throughput in our group." Others are ice cream manufacture and a horticultural facility.

One small business already using Remploy as a sub-contractor is the North London-based Beautronix, which was set up three years ago to market its "Lean Machine" instrument, designed to reduce weight and provide therapeutic treatment through pads connected to the body.

With only eight full-time employees, annual sales are running at £1m.

Mr Howard Johnson, chairman of Beautronix, said: "Assembly, packaging and dispatch of the Lean Machines has been sub-contracted to two outside plants – one owned by Remploy.

"The arrangement gives us tremendous flexibility, both in increasing production at very short notice and, one has to say, reducing it. Both I and my partner had dealt with Remploy in previous businesses, so we know them well."

Although Remploy's main task is the social one of providing jobs for severely disabled people – the net cost to the taxpayer after "flow back" and savings to the Exchequer was estimated at £12m in the year to March 1982.

The company nevertheless works within cash limits and has to operate along commercial lines.

Mr Jeffries said: "We may be a labour intensive organisation but we always use the appropriate manufacturing technique. We pick jobs that are most economically done by man and machine, so we would not try to compete with peoplo who can use automated equipment."

Nevertheless, private sector assembler often accuse Remploy of tendering at uncompetitive rates because of the state subsidy.

"Our costs are obviously higher," Mr Jeffries said: "The reason why we do not cover them with income is not because we trade below market rates, but because of the disabilities of our employees.

"The person sitting at a workbench, for example, may be a paraplegic. This does not in any way affect the quality of his work but naturally he may do the job more slowly."

Remploy was set up as the Disabled Persons Employment Corporation under the provisions of the Disabled Persons (Employment) Act 1944. It caters for those people who because of the nature of their disability are unlikely to find productive employment.

Its first factory was in Bridgend, South Wales, but it now has 94 production units throughout England, Scotland and Wales, which make or provide over 100 different products and services.

Carrington chairman expects Vantona's bid to succeed

BY CHARLES BATCHELOR

MR BILL FIELDHOUSE, chairman of the Carrington Viyella (CV) textile group, said last night he expected, the Vantona bid to go through, even if acceptances did not reach 90 per cent.

He also dismissed suggestions that the Lonrho group could be a serious partner in any alternative arrangement, pointing out that Lonrho had said it would become involved only if the CV/Vantona merger did, not go through.

Mr Davoud Alliance, Vantona's chief executive, has threatened to pull out of the merger, which would create the largest integrated textile group in Britain, if acceptances have not been received from the holders of 90 per cent of the shares by tomorrow.

"If Vantona got less than 90 per cent, I would be surprised if the financial advisers to both companies did not recommend going unconditional. With such a small shortfall (Vantona now has acceptances from just over 87 per cent) it could persuade the other shareholders to come trickling in over the next few months," Mr Fieldhouse said.

Mr Alliance who has been adamant that 90 per cent acceptances were necessary to complete the deal and restructure. The two companies, declined to comment on Mr Fieldhouse's proposal.

While Mr Alliance has so far been opposed to going ahead with less than 90 per cent; because this would extend the financial advantages of the merger to the minority shareholders, Vantona could declare the deal unconditional with anything over 50 per cent.

Mr Fieldhouse said yesterday he was appealing to Mr Joe Hyman, who opposes the merger with his holding of just over 7 per cent, "to follow through his historical support for a strong UK textile industry," and back the Vantona offer.

CV and Vantona, when merged, would be prepared to discuss a further restructuring of the textile industry, involving Lonrho's textile subsidiaries, Mr Fieldhouse said.

ASL chief sells holding to Ropner

By Charles Batchelor

MR RICHARD BENEY, chairman of Associated Sprayers (ASL), the garden equipment maker, has sold his holding of 1.713m shares, representing 19.7 per cent of the equity, to Ropner at 35p per share.

Ropner, which has shipping, insurance broking and engineering interests has made the same offer to other ASL shareholders, valuing the company at £3.05m. Mr Beney still has a beneficial interest in 80,110 shares or 0.9 per cent.

ASL reported an upturn in orders in the first months of the year, ending August 31, 1983

ASL was an unchanged 34p yesterday while Ropner rose 4p to 114p.

Anzani subsidiary put into liquidation

BY DAVID DODWELL

BRITISH Anzani Construction, a wholly owned subsidiary of British Anzani, the building and property group, has been put into liquidation with debts of between £2.5 and £3m.

The company is the third British Anzani subsidiary to crash this year. T. H. Construction Ltd, and Anzani Asphalt were put into the hands of the liquidator three weeks ago.

Mr Michael Barnett, until recently a board member of British Anzani Construction, said yesterday that the company's ongoing contracts have been hived off into a new company, Bretton Fame Construction, saving the jobs of 100 employees. The shares in Bretton Fame have been bought by a company called Mortimer Harley.

British Anzani, the parent company, has been struggling for several years to avoid collapse following the property crash in the mid-1970s. Share dealing in the company was suspended in November 1977 at the company's request with the shares at 15½p.

Two attempts have been made since 1977 to revitalise the company, first in 1980 by a private company called Connaught Property and Land. Then in 1982, the Isle of Man-based Savings and Investment Bank (SIB) came to the rescue, lending about £6m and refinancing all debts.

At the same time, a Panamanian-registered company called the Hatton Corporation bought out Connaught Property. The head of Hatton, Mr Brian Nalborough, is chief executive of British Anzani.

The collapse in June last year of the Savings and Investment Bank was a critical blow to Anzani. Debts to SIB were understood to amount to about £8m at the time of the bank's collapse. How the company's debts had risen to this level from about £2m in 1980 is not clear.

Mr Frank Hornett, the company secretary, said last night: "There are certain subsidiaries in receivership and there are others in liquidation. There are a number of others for which neither of these situations apply, and the group has plans for these."

He said that apert from the three companies in liquidation, a further five had been put into receivership in December last year. He said the group had a total of "about 20" subsidiaries.

The official receiver told a meeting in London yesterday that British Anzani Construction had assets of about £150,000, of which more than half was money owing. The decision to liquidate the company was taken at a creditor's meeting last Friday.

He said that the subsidiary's biggest creditor was the Savings and Investment Bank, with a claim of £2m. The creditors appointed Mr Ronald Robinson, a chartered accountant, as liquidator. A committee of inspection, comprising creditors's representatives, was also appointed.

British Anzani is one of a number of companies to be hit by the collapse of Savings and Investment Bank. Graylaw Holdings, a privately owned garages and property group, was put into liquidation last Thursday. It was understood to have £10m deposited with the bank at the time of the collapse.

Customs probe leads to Huntleigh provision

BY OUR FINANCIAL STAFF

HUNTLEIGH GROUP, the engineering and electronics company, has had to set aside £162,000 as "an exceptional provision" covering liabilities arising from an investigation by the Customs and Excise into re-exporting by one of its subsidiaries.

Micro-Image Technology (Engineering) a subsidiary which imports and then sells in the UK high-technology electronic goods, is being investigated for having sold to customers who have then re-exported the products without obtaining appropriate licences.

When MITE's stock losses and bad debts are added to the liability provision total losses of about £450,000 can be expected for the company, according to Mr John Kuipers, managing director. As a result, profits for the second half of 1982 will be "substantially below" the pre-tax profit of £521,000 recorded by the group after the first six months.

"We have to accept that we were involved indirectly in a contravention of the law," Mr Kuipers said.

The announcement was made as a circular was sent to company shareholders giving details of the disposal of two subsidiaries to Laporte Industries – Countdown Clean Systems and Micro-Image Technology, a company selling chemicals for the micro-technology industry.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
DIVIDEND NO. 114

Pursuant to the notice published on 29th December, 1982, members are informed that the rate of exchange at which payments of the above dividend are to be despatched by the United Kingdom Paying Agents on 18th February, 1983, is 1 Rand of 100 cents equals 57.9864p United Kingdom currency. The gross dividend payable by the United Kingdom Paying Agents is therefore equivalent to 75.3564p per share.

Holders of share warrants to bearer are informed that payment of dividend No. 114 will be made on or after 21st February 1983, upon surrender of Coupon No. 114 at the London Bearer Reception Office, 40, Holborn Viaduct, London, EC1P 1AJ.

	Amount Payable per share (U.K. currency) p
Equivalent in United Kingdom currency of dividend declared	75.3564
Less: South African Non-Resident Shareholders' Tax of 12.92%	9.7360
AMOUNT PAYABLE WHERE A U.K. INLAND REVENUE DECLARATION IS LODGED WITH COUPONS	65.6204
Less United Kingdom Income Tax at 17.08% on the gross dividend (see Notes 1 and 2 below)	12.8709
AMOUNT PAYABLE WHERE COUPONS ARE LODGED WITHOUT UNITED KINGDOM INLAND REVENUE DECLARATIONS	52.7495

Coupons must be listed in duplicate on forms obtainable from the London Bearer Reception Office and deposited for examination on any week-day (Saturday excepted) at least seven clear days before payment is required.

BARNATO BROTHERS LIMITED
London Secretaries
D. W. J. Phillips
Secretary.

99, Bishopsgate,
London EC2M 3XE.
8th February 1983

NOTES (1) The gross amount of the dividend for use for United Kingdom Income and Surtax purposes is 75.3564p per share.

(2) Under the Double Taxation Agreement between the United Kingdom and the Republic of South Africa, South African Non-Resident Shareholders' Tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 17.08% instead of at the standard rate of 30% represents an allowance of credit at the rate of 12.92% in respect of South African Non-Resident Shareholders' Tax.

GOLD FIELDS GROUP
DECLARATION OF DIVIDENDS
UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the standard conditions relating to the payment of the dividends declared by the undermentioned companies on 19 January 1983, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R1.636000 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 7 February 1983, as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore as follows:—

Name of Company (Each incorporated in the Republic of South Africa)	Dividend No.	Amount per share
New Wits Limited	64	11.00244p
Vogelstruisbult Metal Holdings Limited	72	6.72372p

By order of the boards.
per pro CONSOLIDATED GOLD FIELDS PLC.,
London Secretaries.
P. F. G. ROE, Secretary.

London Office:
49 Moorgate,
London, EC2R 6BQ.
7 February 1983

United Kingdom Registrar:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE
CANADA-UNITED KINGDOM FREIGHT CONFERENCE
NOTICE TO SHIPPERS AND IMPORTERS
TRAFFIC TO AND FROM CANADA
CONFERENCE BASE PORTS

The member lines of the above conferences operating services between the United Kingdom, Northern Ireland and the Republic of Ireland and Canadian Maritime, St Lawrence River and Great Lakes ports wish to advise shippers and consignees that a further review of their operating costs has forced the lines to the conclusion that they are unable to meet the full absorbtions necessary to maintain Saint John, N.B. as a conference base port: however, in an endeavour to assist shippers and importers of traffic to that area they have decided that rather than eliminate Saint John, N.B. as a base port completely they will introduce an arbitrary charge of Dlrs.180 per container on traffic for which Saint John, N.B bills of lading are issued. This arbitrary charge of Dlrs 180 per container on traffic for which Saint John, N.B. bills of lading are issued will become effective from 1st April 1983 and will be maintained at that level until 31st December 1983.

ATLANTIC CONTAINER LINE G.I.E.
CANADIAN PACIFIC STEAMSHIPS LTD.
DART CONTAINERLINE (CANADA) N.V.
HAPAG-LLOYD AG
MANCHESTER LINERS LTD.) Joint
GOLDEN CROSS LINE LTD.) Membership
CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD.
Secretaries

Cunard Building,
Liverpool L3 1DS.
February 1983.

PACIFIC BASIN FUND
10a, Boulevard Royal, Luxembourg

DIVIDEND NOTICE

Pursuant to a resolution of the Board of Directors of Pacific Basin Management Company S.A., a dividend of US$0.10 per share will be paid on 21st February, 1983, on all shares in issue and outstanding at 31st January, 1983.

Coupons No. 4 of bearer share certificates have to be presented to the paying agent, Banque Paribas (Luxembourg) S.A., 10a, Boulevard Royal, Luxembourg.

Dividend cheques will be sent to registered shareholders.

PACIFIC BASIN MANAGEMENT COMPANY S.A.
Luxembourg, 31st January, 1983

ADELA INTERNATIONAL FINANCING CO. S.A.
$17.5m FLOATING RATE NOTES 1991

NOTICE IS GIVEN pursuant to Condition 4 (e) of the Terms and Conditions of the above mentioned notes that the rate of interest (as therein defined) for the interest period (as therein defined) from January 13, 1983 to July 13, 1983 is at the annual rate of 10.3125%. The U.S. Dollar amount to which the holders of coupons No. 4 will be entitled on duly presenting the same for payment will be $51.85 subject to such amendments thereto (or appropriate alternative arrangements by way of adjustments which we may make without further notice in the event of an extension or shortening of the above mentioned interest period (f).

BANKAMERICA INT'L.
New York.
Principal Paying Agent

EDUCATIONAL

FRENCH 66
CERAN

☐ Teaching staff presence from 8 a.m. to 10 p.m. = 66 hours per week (study and practice). ☐ Specialising in French, CERAN teaches French exclusively. ☐ Residential courses in the Ardennes. ☐ Group (max 6) and private lessons. ☐ Week and week-end courses. ☐ Business seminar. ☐ Holiday courses for your children.

References: private, companies, embassies, EEC, European Parliament, SHAPE... Brochure and references CERAN - 166 NIVEZE B 4880 SPA (Belgium) Telex 49650. Tel (intern.) 32.87.773916. CERAN: INTENSIVE AND EFFECTIVE.

CONTRACTS AND TENDERS

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE
INVITATION TO TENDER

Tenders are invited for the urgent supply of 6,590 tonnes of soft wheat flour for delivery on a fob stowed and trimmed basis to an EEC port. Loading shall commence no earlier than 28 February 1983 and no later than 8 March 1983.

The price for the supply and transportation costs of the flour for the above tenders will be determined on examination of the tenders which must be submitted by noon on 15 February 1983 to: Home Grown Cereals Authority, Hamlyn House, Highgate Hill, London N19 5PR.

Notice of invitation to tender together with tendering forms may be obtained from: Branch B (Cereals), Internal Market Division, Intervention Board for Agricultural Produce, Fountain House, 2 Queens Walk, Reading RG1 7QW. Tel: Reading (0734) 583626 Ext 368/276.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. 110th ANNUAL WATER-COLOUR EXHIBITION. Until 25th Feb. Mon.-Fri. 9.30-5.30; Thurs. until 7.

BLOND FINE ART, 33, Sackville St., W1. 01-437 1230. BRITISH DRAWINGS. 1910-1950. Until Feb. 19.

BLOND FINE ART, 33, Sackville St., W1. 01-437 1230. CHARLOTTE ARDIZZONE. Until 19 March.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. LARGE LANDSCAPES & TOWNSCAPES. Lr. gallery Scottie Wilson.

JOAN EARDLEY at BROWSE & DARBY, 19, Cork St., W1. 01-734 7984.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

NICOLA JACOBS GALLERY, 9, Cork St., London, W1. Tel: 01-437 3868. Georges Rousse Photographs. Until 26th February.

PARKER GALLERY, 12a-12b, Berkeley Street, London, W1X 5AD (opposite Mayfair Hotel). Tel: 01-499 5906.

SANDFORD GALLERY, 1, Mercer St., WC2. "THE ART CRITICS" Art Show. Tues.-Sat. 12-5.30 pm.

PUBLIC NOTICES

CITY OF EDINBURGH DISTRICT COUNCIL

£1.4 million Bills issued February 4 1983, maturing May 6 1983. Average rate of 10.984375. Applications £5.6 million. Bills outstanding £6.4 million.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

HANOVERIAN NIGHTCLUB and Res., 9, Hanover Street, W1. Where today's businessman can enjoy an exciting and relaxing evening. Charming and discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 01-408 0269.

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-157.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex: 16527. Tel: 276 796.

Birmingham: Editorial and Advertising George Hse., George Rd., B15 1PG. Telex: 338650. Tel: 021-454 0922.

Bonn: Pressehaus 11/104 Heussallee 2-10. Telex: 8869542. Tel: 210039.

Brussels: 39 Rue Ducale. Telex: 23283. Fax: 512 1404. Tel: 512 9037.

Buenos Aires: Edificio Sfico Piso 7, No. 74 Avenida Corrientes 456, Codigo 1366. Tel: 3947696.

Cairo: P.O. Box 2040. Tel: 751482.

Dublin: 25 South Frederick St., Dublin 2. Telex: 25414. Tel: Dublin 603378.

Edinburgh: Editorial and Advertising 37 George Street, EH2 2HN. Telex: 72484. Editorial Tel: 031-226 4120. Advertising Tel: 031-226 4139.

Frankfurt: Editorial and Advertising Guiollettstr. 54. Editorial Telex: 416052. Tel: 7598-157. Advertising Telex: 416193. Tel: 7598-0.

Geneva: 15 rue du Cendrier. Telex: 22589. Tel: 311604.

Hong Kong: Room 507a, Pedder Building, Pedder Street, Central. Telex: c/o Reuters, HK. Tel: 5-226935.

Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.

Leeds: Advertising Permanent House, The Headrow. Tel: 0532 454969.

Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533. Tel: 362 508.

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772.

Manchester: Editorial and Advertising Queen's Hse., Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.

Mexico City: Calle [illegible] 54-500, Col Juarez, Mexico 6DF 06600. Tel: 592 5822.

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finance. Tel: 243 1635.

New York: Editorial and Advertising 75 Rockefeller Plaza, N.Y. 10019. Editorial Telex: 66390. Tel: (212) 541 4625. Advertising Telex: 238409. Tel: (212) 489 8300.

Paris: Editorial and Advertising Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01. Telex: 220044. Tel: 297 2000.

Rio de Janeiro: Rio Branco 45, Salas 2611-2612, Centro DEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.

Rome: Editorial Via della Mercede 55. Telex: 610032. Tel: 678 3314.

Stockholm: Editorial Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.

Tokyo: Editorial 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: 127104. Tel: 295 4050.

Washington: Editorial 1171 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

UK COMPANY NEWS

INSURANCE RESULTS FOR 1982 SEEN AS WORST FOR DECADE

Record loss on underwriting

BY ERIC SHORT

INSURANCE companies will be reporting their 1982 results in the next few weeks. They start in a fortnight with Commercial Union, invariably the first composite to announce its figures.

Without doubt, the results will be the worst for more than a decade in relative terms for general insurance, with worldwide underwriting losses at record levels.

The table shows what is expected from the seven UK insurance composites – Commercial Union, Eagle Star, General Accident, Guardian Royal Exchange, Phoenix Assurance, Royal, and Sun Alliance.

The figures are the average of forecasts made by 18 stockbroking firms, giving the aggregate of results for these companies.

The most significant feature for 1982 is an expected 75 per cent rise in underwriting losses to about £800m from 1981's record deficit. These losses represent the excess of claims paid and expenses incurred over premiums received.

One reason for these high losses – a reason the companies will stress – was the exceptionally severe winter weather on both sides of the Atlantic in the first three months of last year.

James Capel, in its review, estimates that losses in the UK in the first quarter of 1982 were £115m for the seven companies.

These weather losses merely exacerbated the situation for insurance companies. Operating conditions in the major world insurance markets, especially the U.S. and the UK, have deteriorated significantly, because of a combination of factors. The main ones are the worldwide recession inhibiting growth, and keen and growing competition resulting in inadequate rates.

The results would have been poor even without the bad weather.

A clearer picture of this market deterioration should emerge this year with the winter being comparatively mild so far.

James Capel forecasts 1982 underwriting losses in the U.S. for these seven composites at £330m from £147.2m. This compares with figures quoted by A. M. Best for the U.S. insurance industry where total underwriting losses are expected to rise from $6.4bn to $10.4bn (£6.8bn) in 1982.

Whereas the U.S. market has been poor for a few years and worsening each year, the UK market had, until last year, been relatively good. Underwriting losses for these seven companies will jump from £33.7m in 1981 to £265m in 1982, according to James Capel. The deterioration reflects both increased competition among domestic insurers and increased penetration by foreign insurance companies.

All will not be gloom, however. Canada, which for years has been a poor market, should show underwriting losses reduced from 1981's catastrophic £110m to £55m. Results from Australia should show a similar reduction from £66.3m to £30m. These improvements are the first tangible results of the drastic action taken by these companies in both countries.

The composite groups rely on their investment income, premiums and reserves to cover these rising underwriting losses. Strong positive cash flows and high interest rates have resulted in buoyant investment income growth in the past few years but no-one could expect investment income growth last year to match the underwriting deterioration.

The market expects a 16 per cent rise in income to £1.1bn and pre-tax profits for the seven companies to be cut by a quarter to £425m.

So what are the dividend prospects for shareholders in the seven companies? Reduced tax charges will soften the cut in attributable profit to 18 per cent from £364.6m to £300m but, according to James Capel, shareholders should not fear dividend cuts.

It is expected that four companies – Commercial Union, Eagle Star, General Accident and Sun Alliance – will keep their dividends unchanged, while Guardian Royal Exchange, Phoenix and Royal will make slight increases.

SEVEN MAJOR UK INSURANCE COMPOSITES
Expected 1982 aggregate results*

	1982 £m	1981 £m	Change %
Underwriting	−800	(−452.3)	−75
Net investment income	1,100	(950.2)	+16
Life profit	90	(71.8)	+26
Pre-tax profits	425	(568.0)	−25
Attributable profit	300	(364.6)	−18

* Based on the average of forecasts made by 18 stockbrokers

Rift over mortgage business commission

By Our Insurance Correspondent

THE SCOTTISH Widows' Fund and Life Assurance Society, a major Scottish life company, has bitterly criticised other life companies for paying building societies an extra 10 per cent commission for endowment mortgage business.

In a letter to all registered insurance brokers and full-time insurance intermediaries, Mr Charles Cavaye, general manager of the company, said that on January 1 1983, a number of leading life companies, including seven other Scottish companies, introduced a new scale of commission to replace the old offical scale, which ended in 1982.

The new scale introduced the principle of differential commission payments to brokers and full-time intermediaries, the higher payments reflecting their greater expertise and commitment, he said. Building societies would continue to receive the basic commission only.

Mr Cavaye said that, since then, most of the life companies in the consortium had decided to pay selected building societies an extra 10 per cent.

Life companies see all-time high sales

BY OUR INSURANCE CORRESPONDENT

SALES OF individual life and personal pensions business by UK life companies broke all records last year, following a buoyant final quarter.

Figures issued yesterday by the three life associations – the Life Offices Association, the Associated Scottish Life Offices and the Industrial Life Offices Association – showed that new annual premiums on individual life business rose 10 per cent from £785m to £864m, following a 27 per cent improvement in the final quarter from £198m to £252m.

Single premium life business increased by 23 per cent last year from £1.13bn to £1.39bn, with a 50 per cent jump in business in the final quarter from £315m to £474m.

The linked-life market continued to go from strength to strength. New individual life annual premiums rose by 21 per cent last year from £180m to a record £217m, with a final quarter surge of 38 per cent from £46.5m to £64.4m.

Growth in single premium linked bonds was even more impressive, improving by a third on the year from £548m to £742m.

The final quarter saw linked-bond business double from £137.9m to £279.2m, with most of this growth coming from massive sales of the artificially designed, tax efficient, capital investment bonds.

The traditional side of the life assurance industry showed much lower growth rates last year. New annual premiums on ordinary life business, improved by only 6.6 per cent from £394m to £420m.

This growth would have been even lower but for a resurgence in the endowment mortgage market, which saw annual premiums jump 30 per cent in the final quarter, from £98.7m to £128.3m.

Industrial life business-business where premiums are paid weekly or four-weekly and collected by agents at policy holders' homes – moved ahead again in 1982, after standing still in 1981, with a 7.6 per cent growth in annual premiums from £211m to £227m. Again the fourth quarter was the best of the year rising 12 per cent from £52.8m to £59.3m.

Personal pension sales to the self-employed continued to climb steadily, in the wake of further tax concessions on premiums. New annual premiums rose 23 per cent last year from £133m to £163m, with both traditional and linked business showing strong growth.

Single premium pension payments were nearly 30 per cent higher at £230m, against £180m, with traditional contracts rising by a quarter and linked plans by over 40 per cent.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
$108	F.P.	13/1	204	140	✠Baltic Leasing 5p	204	......	b2.8	3.5	2.0	16.1
‖ #	F.P.	—	16	12	✠Booth (Charles) 5p.	16	......	—	—	—	—
$100	F.P.	22/4	105	100	Br. Kidney Pat. As.	105	......	—	—	—	—
$74	F.P.	21/1	158	103	✠Canvermoor	147	−1	b3.64	2.0	3.5	16.7
$17	F.P.	21/1	35	24	✠Inn Leisure 5p	34	......	ud.42	3.7	1.8	17.8
$130	F.P.	14/1	190	155	✠Memory Comp Ir10p	183	......	bQ26.6%	5.6	1.5	19.9
$190	F.P.	4/3	388	330	✠Microgen	350	......	b4.0	2.9	1.6	26.9
$165	F.P.	7/1	255	200	✠Munford & White	222	......	b2.6	2.4	1.7	35.1
$93	F.P.	4/2	196	145	✠Resource Tech. 10p	170	−7	—	—	—	52.7
120	F.P.	—	125	105	✠Swindon Priv Hos £1	105	......	—	—	—	—
$10½	F.P.	—	76	16	✠Tops Estates 10p	60	......	—	—	—	—
$150	F.P.	18/2	340	265	✠WightCollinsR-S10p	280	+2	bd2.75	3.3	1.4	31.2
—	F.P.	3/3	25	22	Yorks & Lancs. W'rrnts	22	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
¶¶	F.P.	—	90	89	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	90	......
97.304	£25	4/3	29½	15¾	BOC 12¼% Uns. Ln. 2012-17	17½	+¼
99.431	£20	10/4	21⅞	12	Birmingham 11½% Red. 2012	12¼	−¼
¶	£10	24/3	11¼	11	East Surrey Water 7% Red. Pref. 1988	11	......
¶¶	F.P.	—	130	86	European Inv. Bk. 11% Ln. 2002	86⅝	−⅜
—	—	—	99	99	Nationwide Bdg. Soc. 11⅞% Bds. 23/1/84	99	......
—	—	—	100	100	Do. 11⅞% Bds. 18/2/84	100	......
$97.174	£25	6/5	24¼	22	Pearson (S) 13% Uns. Ln. 2007	24	+¼
96.56	£25	8/7	25⅜	23½	Sweden 13¼% Ln. Stk. 2010	24¾	−¼
¶¶	F.P.	18/2	90	65	Transcont. 9% Cnv. Red. Uns. Ln. Nts. 1985	88	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
350	Nil	26/2	28/4	25pm	23pm	AGB Research 10p	25pm	......
25	F.P.	28/1	18/2	370	94	Arlen Elec.	370	+37
90	F.P.	28/1	18/3	122	106	Bellway	121	−1
50	F.P.	8/2	9/3	55	50	Cluff Oil 'B'	50	......
90	Nil	21/2	7/4	54pm	40pm	Grosvenor Group	40pm	−3
60	F.P.	14/1	11/2	76	65	ICL	75	−1
46	Nil	14/2	11/3	11pm	5pm	LCP	11pm	......
27	Nil	21/7	7/4	5½pm	5pm	Mount Charlotte 10p	5pm	......
95	F.P.	7/2	21/3	118	106	NSS News 10p	118	......
58	F.P.	8/2	29/4	68	61	Stakis 10p	66	......
470	F.P.	11/1	11/2	610	523	Wolseley-Hughes	610	......

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. z Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

MINING

UC Investments cuts its final

BY KENNETH MARSTON, MINING EDITOR

UC INVESTMENTS, the South African gold and platinum investment company in the Gencor group, has cut its final dividend for 1982. At 95 cents (55p) it makes a total for the year of 130 cents. For 1981 there was an interim of 45 cents followed by a final of 115 cents.

Net profits for 1982 come out at R29.5m (£17m) against R36m in the previous year, equalling 151.4 cents per share against 184.8 cents.

The strong recovery in the gold and platinum share markets that developed in the latter part of last year is reflected in a useful improvement in share dealing profits and, particularly, in the increase in the value of the investment portfolio.

Consequently, the net asset value per share has climbed in 1982 to 2,732 cents (£15.80) per share from 1,804 cents previously and will be considerably higher now. But the recovery in precious metal prices came too late to affect dividends received by UC Investments.

Because of the reduced dividends declared earlier in the year on the company's holdings in gold shares and platinums – the latter via Impala – investment income for 1982 fell to R29.7m from R36.8m.

However, UC Investments should see an improvement in the current year. The shares were £1 up at a new high for 1982-83 of £13½ yesterday.

Noranda plans working at Hemlo gold camp

BY KENNETH MARSTON

EXPECTATIONS that the first gold mine to be established in Canada's exciting Hemlo gold camp will b on the property of the Golden Sceptre Resources-Goliath Gold Mines-Noranda consortium are underlined by the news that Noranda is planning an underground operation there with an initial milling rate of at least 900 tonnes of ore per day.

In the terms of its deal with Sceptre and Goliath, Noranda can earn a 50 per cent interest in the Golden Giant property by bringing it to production before the end of next year. A daily rate of 900 tonnes would give an annual gold production of about 80,000 oz.

There are tentative plans, however, to increase the rate to about 2,000 tonnes per day. The likely size of the deposit is not yet known but latest drilling results suggest that some 10m tonnes grading 0.25 oz. (7.8 grammes) gold per tonne may have been outlined

This compares with the last official estimate of only 2.5m short tons. Noranda says that because of the large increase in "probable" reserves it is considering building a treatment plant at the minesite. Previously, it was intended to site the mill at Noranda's Geco property but both options are being investigated.

North Broken Hill to make rights issue

By Our Mining Staff

A RIGHTS issue of 43m new shares to raise A$64m for general corporate purposes is to be made by North Broken Hill Holdings, the Australian mining and investment house. Shareholders are to be offered one new share at A$1.50 for every four held. The existing shares were 158p in London Yesterday.

An initial payment of 50 cents a share will be due on acceptance by April 11. A further payment of 50 cents will become due on May 11, 1984.

The new shares will not participate in the unchanged interim of 3 cents which has been recently declared

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sept. Vol.	Sept. Last	Stock
D FL C	F.260	5	13	—	—	—	—	F.271.35
D FL C	F.265	26	9	1	10.80	—	—	"
D FL C	F.270	—	-	5	7.50	—	-	"
D FL P	F.260	5	2.20	3	5	1	9	"
D FL P	F.265	41	4	18	7.50	1	11.50	"
D FL P	F.270	100	6.40	105	10.10	—	—	"
D FL P	F.275	—	—	1	12.70	—	—	"
		Feb.		May		Aug.		
GOLD C	$425	45	69	—	—	1	96	$491.75
GOLD C	$450	52	45	8	68	16	82	"
GOLD C	$475	8	20	47	50	1	67	"
GOLD C	$500	243	9	61	37	111	59	"
GOLD C	$550	12	1.50	99	17.50	7	35	"
GOLD P	$375	2	0.10	—	-	—	—	"
GOLD P	$400	10	0.10	1	2.50	2	57.0	"
GOLD P	$450	10	0.10	15	4	—	—	"
GOLD P	$450	26	1	99	10	13	18	"
GOLD P	$475	69	3.50	119	20	31	29	"
GOLD P	$500	83	13	11	32	29	40	"
GOLD P	$550	—	—	67	63	—	—	"
12¾ NL 81 87 91								
C	F.125	35	7.50	-	—	—	—	F.132.70
C	F.127.50	—	-	10	5.70	7	6	"
C	F.130	—	—	—	—	40	5	"
C	F.135	--	—	50	2.10	13	3.50	"
P	F.122.50	--	—	—	-	1	1.50	"
P	F.130	—	—	115	2.70	4	3	"
10⅝ NL 80 86 95								
C	F.115	50	0.50	15	1.20	--	—	F.113.20
11¼ NL 80 86 95								
C	F.107.50	3	8.20	—	—	—	—	F.116
C	F.110	—	—	—	—	5	6.50	"
C	F.117.50	—	--	—	—	50	2.30	"
P	F.115	—	—	--	—	50	2.50	"
10 NL 82 11 86 89								
C	F.107.50	-	—	100	5	—	—	F.111.30
C	F.112.50	—	—	1200	1.20	—	--	"
7¾ NL 82 89 93								
C	F.100	110	0.80	10	1.50	-	—	F.100.50
C	F.102.50	-	--	510	0.80	-	--	"
7¾ NL 82 89 93								
C	F.100	—	—	50	1.30	—	—	F.99.20
P	F.100	—	—	50	1.90	—	—	"
		April		July		Oct.		
AKZO C	F.32.50	100	8.10	—	—	—	—	F40.20
AKZO C	F.35	33	6	49	7.40	—	—	"
AKZO C	F.40	491	3.20	101	4	68	5	"
AKZO C	F.45	-	-	119	1.90	50	2.30	"
AMRO C	F.45	50	1.20	--	—	—	—	F.42
AMRO C	F.50	—	-	42	1.20	—	—	"
AMRO P	F.35	27	1.10	—	—	—	—	"
AMRO P	F.40	45	2.40	—	—	20	4	"
GIST P	F.110	100	1.60	—	—	—	—	F.132
HOOG C	F.15	30	2.40	—	—	—	—	F.16.70
HOOG C	F.17.50	—	—	23	1.70	—	—	"
KLM C	F.130	30	34.50	—	—	—	—	F.158.60
KLM C	F.150	54	20.50	28	25	—	—	"
KLM C	F.160	251	14.10	57	18	—	—	"
KLM P	F.100	21	1 A	—	—	—	—	"
KLM P	F.110	46	1.70 A	—	--	—	—	"
KLM P	F.120	67	2.60	—	—	—	—	"
KLM P	F.130	25	4.30	—	—	—	—	"
KLM P	F.140	64	7	—	—	—	—	"
KLM P	F.150	41	10.50	—	—	—	—	"
NEDL C	F.90	225	5.20	--	—	—	—	F.89
PHIL C	F.25	22	8.50 B	10	8.60 B	—	—	F.33.70
PHIL C	F.27.50	279	6.20	80	6.20 B	—	—	"
PHIL C	F.30	1431	4.10 A	60	4.10	—	—	"
PHIL C	F.32.50	130	2.40	155	2.80	68	3.50	"
PHIL C	F.35	356	1.30	261	1.60	12	2.10 B	"
PHIL P	F.30	45	0.60	120	1.10	—	—	"
PHIL P	F.32.50	58	1.20	12	2.10 A	—	—	"
RD C	F.90	47	8	7	9	15	10	F.94.40
RD C	F.100	156	2.80	44	3.60	6	5.40	"
RD P	F.90	52	1.80	20	3.80	5	5.30	"
		Feb.		May		Aug.		
BASF C	DM.110	—	-	—	—	30	16	DM125.80
SIEM C	DM.260	20	6	17	11.50	—	—	DM266.30
VW C	DM.130	—	--	40	25	20	26	DM154.80
VW C	DM.140	-	-	—	—	26	18	"
VW C	DM.150	25	5.90	29	10.50	—	—	"

TOTAL VOLUME IN CONTRACTS 10,295

A - Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 306)	260	52	—	—	3	-	—
" "	280	36	—	—	9	—	—
" "	300	20	30	38	20	26	32
" "	330	5	12	22	40	48	52
" "	360	3	5	—	66	68	—
CGF (USP 553)	420	135	140	—	3	6	—
" "	460	95	105	—	7	14	—
" "	500	56	75	87	22	30	34
" "	550	33	47	60	42	47	57
CTD (USP 85)	70	19	21	23	2	2½	3½
" "	80	10	13	15	3½	5	7
" "	90	4½	7	8	8	9	10
CUA (USP 138)	120	21	23	—	2	4	—
" "	130	13	18	—	4	8	—
" "	140	8	11	15	13	15	17
" "	160	3	6	7	27	29	30
GEC (USP 198)	180	26	34	42	5	8	11
" "	197	14	—	—	11	—	—
" "	200	—	22	27	—	18	22
" "	217	6	—	—	23	—	—
" "	220	—	10	—	—	28	—
" "	237	3	—	—	43	-	—
" "	240	—	7	—	—	47	—
" "	260	2	5	—	66	66	—
GMH (USP 343)	240	104	—	—	1	—	—
" "	260	84	—	—	2	—	—
" "	280	64	71	—	3	4	—
" "	300	45	52	—	4	7	—
" "	330	25	31	37	13	17	20
" "	360	8	17	23	29	32	35
ICI (USP 390)	260	134	—	—	2	—	—
" "	280	114	--	—	2	—	—
" "	300	94	102	—	2	3	—
" "	330	64	72	—	4	5	—
" "	360	40	48	56	11	15	18
" "	390	20	32	42	24	30	34
" "	420	9	18	26	46	50	54
LS (USP 296)	240	58	—	—	2	—	—
" "	260	38	44	50	4	6	10
" "	280	23	29	36	7	12	16
" "	300	9	14	21	17	21	24
M & S (USP 210)	160	54	—	—	1½	—	—
" "	180	34	39	44	2	5	7
" "	200	20	28	34	7	12	16
" "	220	10	16	22	16	21	24
" "	240	3	7	—	32	35	—
SHL (USP 408)	360	52	—	—	—	—	—
" "	390	28	38	44	13	18	20
" "	420	13	20	30	30	36	40
" "	460	6	11	—	66	68	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BBL (USP 431)	350	—	—	—	1	—	—
" "	360	70	75	85	1	5	10
" "	388	—	—	—	2	—	—
" "	390	40	46	55	2	10	17
" "	420	12	25	38	4	23	35
" "	460	—	13	20	—	45	55
IMP (USP 128)	90	39	39	—	0½	1	—
" "	100	29	29	—	0½	1	—
" "	110	19	19	21	1	2	3
" "	120	10	12	15	2	6	8
" "	130	3½	7	10	6	12	14
LMO (USP 259)	260	13	35	47	10	17	27
" "	280	5	25	35	22	27	37
" "	300	2	14	23	42	46	52
" "	330	2	8	15	72	72	77
" "	360	2	3	—	102	102	—
" "	390	2	2	—	132	132	—
LNR (USP 94)	60	35	—	—	0¼	—	—
" "	70	25	—	—	1	—	—
" "	80	15	16	18	1	2½	3
" "	90	6	8½	11	2	7	8
" "	100	1½	4	6	8	14	16
P & O (USP 120)	100	22	25	28	1	2	5
" "	110	12	18	20	1	4	8
" "	120	4	11	14	3	8	14
" "	130	1	6	9	12	15	23
" "	140	1	3	—	22	25	—
" "	160	0½	1	—	41	43	—
RCL (USP 474)	390	87	—	—	1	—	—
" "	420	57	—	—	2	—	—
" "	460	17	44	55	7	18	25
" "	500	2	23	35	32	35	39
" "	550	2	11	20	80	82	82
" "	600	2	5	6	130	132	132
" "	650	1	2	--	180	182	—
RTZ (USP 522)	—	—	—	—	—	—	—
" "	330	197	—	—	—	—	—
" "	360	167	—	—	1	—	—
" "	390	137	140	—	1	1	2
" "	420	107	112	115	1	2	7
" "	460	67	82	87	1	7	16
" "	500	27	55	67	5	27	37
VRF (USP 118)	—	—	—	—	—	—	—
" "	45	2	—	—	0½	—	—
" "	50	68½	—	—	0½	1	—
" "	55	63½	—	—	0½	1	—
" "	60	58½	58½	—	0½	1	—
" "	70	47½	48½	49	0½	1	—
" "	80	38½	38½	39	0½	1	—
" "	90	28½	28½	29	0¾	1¾	3
" "	100	18½	19½	23½	0¼	5½	7½
" "	110	8½	13	18½	2	10	11½
" "	120	2	8½	14½	6	15½	17

Feb. 7 Total Contracts 2,752 Calls 1,901 Puts 851

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01 623 1288

Black Horse Man. Fd		215 60		—
Managed Inv. Fd	147.51	156 78		—
Property Fd	145.15	152 79		—
Fixed Interest Fd.	132 45	139 43		—
Cash Fd	131.15	138 06		—
Income Fd.	149 35	157.22		—
Extra Income Fd.	140 97	148.33		—
Worldwide Growth Fd.	193 39	203.26		—
Balanced Fd.	157 84	166.15		—
Smlr Co's & Recv. Fd	184.86	194.59		—
Intl. Technology Fd.	223 97	235 76		—
Nth. Amer. & Gen. Fd	139 77	147.13		—
Energy Int. Fd.	89.87	94 60		—
Pacific Basin Fund	114.76	120.80		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	93.9	98.9		—
International	101.7	107.1		—
Property	102.2	107.6		—
Deposit	95.5	100.5		—
Fixed Interest	93.5	98.4		—
Managed	98.2	103.4		—
Equity Pens Cap	93.4	98.3		—
Intnl. Pens. Cap.	102.7	108.1		—
Property Pens Cap	103.9	109.4		—
Deposit Pens Cap.	95.3	100.3		—
Fixed Int Pens Cap	93.0	97.9		—
Managed Pens Cap	98.7	103.9		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Feb 1		85.2		—
Rtmt. Fed. Jan 7		204.4		—
Managed Pen Fund	160 7	169 1		—
Property Pen Fund	109.5	115.3		—
Index Lnked Pen Fund	119.8	126 1		—
Managed	107.2	112.9	-0.3	—
Property	97.6	102.8		—
Gilt and Fixed Interest	94.5	99.5	-0.6	—
Index-Linked	104.1	109 6	-0.3	—
Equity	110.6	116.5	-0.2	—
Cash	97.8	103 0		—
Midland Bk. Unit Tst.	104.5	110.0	-0 1	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01 628 8131

G.T. Plan Bond Fund	119 8	126 2	+0 1
GT Pln High Yld Fnd	105 9	111 5	
GT Plan Far East Fnd	95 2	100 3	
GT Pln N Am Fund	148 5	156 4	
GT Pln UK&G E. Fnd	121 1	127 5	
GT Pln Wrldwde Fnd.	115 0	121 1	
GT Pension Bnd Fnd.	125 5	132.2	
GT Pen High Yld Fd.	118.1	124 4	
GT Pen Far East Fd	100 9	106 3	
GT Pen N. Am. Fd.	183.8	193.5	
GT Pen UK & G E. Fd.	133 4	140 5	
GT Pen Worldwide Fd.	121.5	127 9	

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	158 9	167 3	—

General Portfolio Life Ins. C. Ltd.
Grossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		220.3	—
Portfolio Fd. Int.		107 7	—
Portfolio Fd. Cap.		213.5	—
Portfolio Man. Acc.	67 7	71.3	—
Portfolio Man. Int.	60 2	63 4	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1 413	-0 012
Landbank Secs.		62 7	-1.39
Landbank Scs. Acc.	172.4	176 8	-1 0
G. & S. Super Fd.		£30 638	-0.096

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	299 3	311 7	

GRE Linked Assurance Limited

Managed Initial	182.8	192.4	-0 1
Do. Accum	199.8	210 3	-0 1
Equity Initial	231.9	244.1	+0.2
Do. Accum	253.5	266.8	+0.2
Fixed Int. Initial	171.4	180.5	...
Do. Accum.	187 4	197.3	...
International Initial	180 0	189.6	+0.4

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

'Asset Builder'	59 9	63 1		—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Feb 1	55 2	58 8		—
MM Flexible Feb. 4	47.8	50.4		—
Fixed Interest Feb. 1	51 6	54 4		—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA 0272-279179

Equity	202.6	208.6	...	—
Fixed Interest	146.7	147.4		—
Property	158.3	163 0		—
Deposit	137.2	137.2		—
Mixed	173 6	177.4		—
Indexed Stk.	113.5	114.0		—

London Life Managed Funds Ltd.

Equity (P.)	145.1	150 1		—
Fixed Int. (P.)	145 9	146 9		—
Property (P.)	115.9	119 9		—
Deposit (P.)	114.5	114.5		—
Mixed (P.)	137 4	140.9		—
Indexed Stock (P.)	119.5	120.3		—

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	258.5	—	-0.2	—
Invest Tst Fd Acc.	266 1	—	-0 1	8.2
Property Fund Cap.	116.2	—	-0 1	—
Property Fund Acc	119 7	—		3.2
Flexible Fund Cap.	170.7	—	-0.5	—
Flexible Fund Acc.	175 7	—	-0.4	2.5
Fixed Int. Fd Cap.	129 9	—	-0.8	—
Fixed Int Fd Acc.	134 0	—	-0.8	—
Gtd. Deposit Fd. Cap.	136.9	—		—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund	281.1		—
Property Fund (A)	274 0		—
Agricultural Fund	1049 9		—
Agric. Fund (A)	1024 4		—
Abbey Nat. Fund	222.4		—
Abbey Nat. Fd. (A)	221.6		—
Investment Fund	123 6		—
Investment Fund (A)	122.0		—
Equity Fund	370.8	-0 5	—
Equity Fund (A)	364.8	-0.5	—
Money Fund	205 4		—
Money Fund (A)	201.9		—
Actuarial Fund	195.5		—
Gilt-edged Fund	174 4		—
Gilt-Edged Fd. (A)	173.7		—
Retire Annuity	173 7		—
Immed. Ann'ty	194.0		—
International Fd.	223.0		—

Prop. Growth Pensions & Annuities Ltd.

All Wther Ac. Uts. 225 1	237 0		—
Inv. Fd. Uts	260 4		—
Pension Fd. Uts	236 0		—
Conv. Pens. Fd	265 7		—
Cnv. Pns. Cap. Ut.	203 7		—
Man. Pens. Fd	289 0		—
Man. Pens Cap Ut	230 6		—
Prop. Pens. Fd.	265 3		—
Prop. Pens. Cap. Uts.	204.0		—
Bldg. Soc Pen. Ut	238.3		—
Bldg. Soc Cap Ut	185 8		—
Gilts Pens. Fd.	150 2		—
Gilts Pens. Fd. Cap	134.6		—
Equity Pens. Fd.	215 8	+0 2	—
Equity Pens. Fd. Cap	193 7	+0.3	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey 0481-26521

Capital Reserve Fund	15.89	15 90		0 72
C.I. Fund	280 1	298 9		2 76
Special Sits. Fund	112 9	118 9		2 35
Sterling Income Fund*	108 6	113 4		13 23
Dollar Income Fund	$1 058	1 104		12 23
Trans. Mar Trust	$1 093	1 151		2 78
Intnl. Bond	$104 04	109 52		9 86
Int Equity	18 98	19 98		1 84
Int Svgs. 'A' $US	$1 50	1 58		—
Int Svgs. 'B'	$2 13	2 25		—
Galleon Acc. Fund 'A'	$1 057	1 062		—
Galleon Acc. Fund 'B'	$1 120	1 139		—
Amer Smc Accn.	$0 95	1 01		—

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey 0481 26541 2

American (US cents)	158 1	168 2		—
Mnl Res (U.S. cents)	119 3	127 0		—
Gilt Fund	110 09	107 0		11 83
Prime Res. Prop.	—	100 0		—

Henderson Baring Group
1901, Edinburgh Tower, Hongkong

Australia	$8 56	9 29		—
Hong Kong	$11 75	12 60		—
Japan Tech	$18 73	20 02		—
Japan Fund	$27 70	29 59		—
Malay Sing	$18 48	19 00		—
Pacific Fd	$11 698	12 282		—
Bond Fd	$11 119	11 674		10 15

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey C.I.

Guernsey Tst.	250.7	268 2	-0 5	2 97

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63 Jersey 0534 76029

UK Equities (C.I. Fd)	170 8	182 8	+2 7	3 50
UK Gilt (Jy Fxd Int)	100 0	106 0		11 00
Int. Man. (Growth Fd.)	146 4	154 7	+0.2	—

Int. Currency Fund

D Mark	DM41 53		—
£ Sterling	£10 61	-0 01	—

Buiter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH 01-600 4177

Rsrc Fd Int Feb 1	$1,040	$1,467		1 54

Next dealing date March 1

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Coin Trust				—
Diamond Bond				—
Gemstone Trust				—
Gold Bond				—
Managed Fund				—
Petroman Oil Trust				—
Do. $.				—
Silver Trust				—
Sterling Deposit Fd	159 60	168 04	-0 14	10 94
UK Gilt Fund	148 7	158 0	-0 5	—

Rothschild Asset Management (C.I.)
St. Julian's Court, St. Peter Port, Guernsey 0481 26741

OC American Fd*	—	—		—
OC Sm Co***	—	—		—
OC Commodity†	—	—		—
OC Dir Comdty*	—	—		—
OC Hongkg Fd††	—	—		—

OC International Reserves

See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.

*Prices Jan 7 Next dlng Jan 21. †Prices Jan 31 Next dlng Feb 14 ***Jan 31 Next dlng Feb 15 ††Dealings every Wednesday

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246 St Peter Port, Guernsey 0481 23021

Intl Income Fd		10 61		—
Intl Capital Fd	$12 14	13 14		—
North America Fd	$5 51	6 04		—

RBC Intl Currencies Fd Ltd

U S $	—			—
Canadian $	—			—
£ Sterling	—			—
D-Mark	—			—
Swiss Franc	—			—

OFFSHORE AND OVERSEAS

INTERNATIONAL CAPITAL MARKETS

EUROBONDS

Denmark in SwFr 150m issue

BY ALAN FRIEDMAN IN LONDON

THE KINGDOM of Denmark, which last week launched a Y15bn 10-year 8.3 per cent Samurai bond in Tokyo, is placing SwFr 150m of six-year paper in Switzerland.

The private placement is being handled by Union Bank of Switzerland and carries a 5¾ per cent coupon at par. Prices of Swiss franc foreign bonds, meanwhile, closed roughly unchanged as the Swiss currency remained weak against the U.S. dollar.

In the Eurodollar bond market, dealers continued to report a lack of investor interest and selected mark-downs of new issues. Texaco's 9¾ per cent 1990 issue was ½ point lower at 93½ last night.

The market remains uncertain about the direction of U.S. interest rates and is still staggering under the weight of unsold new issues. One syndicate manager said last night that he saw no reason for investors to buy bonds hastily at this time. "If I were an investor, I would just sit back and wait for bond prices to fall still further," he explained.

In West Germany, Euro D-Mark bond prices closed unchanged after another day of quiet trading. The DM 100m, five-year, 9 per cent issue for South Africa's iron and steel company – Iscor – was selling at a discount of around ½ point yesterday, largely a reflection of its high coupon and short maturity.

The new DM 200m 10-year 7¾ per cent Caisse Nationale des Télécommunications issue, however, was trading at around 96¼ (against an issue price of par), showing a lack of investor interest. Both of those deals are lead-managed by WestLB.

● Morgan Stanley's new $50m convertible bond issue for Northern Telecom carries a "call" option (whereby the borrower can redeem the paper) at a price of 104 after 100 days, rather than a "put" option (whereby investors may redeem the paper) as previously published.

NORTH AMERICAN QUARTERLY RESULTS

AMETEK

Fourth quarter	1982 $	1981 $
Revenue	92.7m	104.1m
Net profits	5.8m	5.4m
Net per share	0.53	0.50
Year		
Revenue	423.6m	448.1m
Net profits	27.3m	26.4m
Net per share	2.50	2.44

ANCHOR HOCKING

Fourth quarter	1982 $	1981 $
Revenue	227.3m	244.6m
Net profits	10.1m	11.2m
Net per share	1.07	1.10
Year		
Revenue	903.6m	953.4m
Net profits	12.3m	29.6m
Net per share	1.25	2.89

BIG THREE INDUSTRIES

Fourth quarter	1982 $	1981 $
Revenue	179.8m	214.6m
Net profits	17.29m	29.14m
Net per share	0.41	0.69
Year		
Revenue	772.6m	823.3m
Net profits	88.09m	108.8m
Net per share	2.08	2.57

BRUSH WELLMAN

Fourth quarter	1982 $	1981 $
Revenue	47.1m	50.5m
Net profits	†1.7m	5.4m
Net per share	†0.20	0.62
Year		
Revenue	193.9m	190.2m
Net profits	11.1m	19.3m
Net per share	1.27	2.22

† Loss

CANADA PACKERS

Nine months	1982-83 C$	1981-82 C$
Revenue	2.2bn	2.2bn
Net profits	15.8m	21.1m
Net per share	2.65	3.52
Year		
Revenue	1.4bn	1.4bn
Net profits	33.95m	46.64m
Net per share	3.49	5.57

CAPITAL CITIES COMMUNICATIONS

Fourth quarter	1982 $	1981 $
Revenue	182.7m	163.2m
Net profits	28.1m	22.4m
Net per share	2.10	1.70
Year		
Revenue	663.6m	573.8m
Net profits	96.3m	80.5m
Net per share	7.25	6.12

CELANESE

Fourth quarter	1982 $	1981 $
Revenue	710m	884m
Net profits	†54m	35m
Net per share	†3.52	2.18
Year		
Revenue	3.06bn	3.75bn
Net profits	†34m	1.44m
Net per share	†2.45	8.52

† Loss

CLARK EQUIPMENT

Fourth quarter	1982 $	1981 $
Revenue	217.0m	326.5m
Net profits	9.30m	†10.42m
Net per share	0.76	†0.82
Year		
Revenue	1.02bn	1.36bn
Net profits	†154.5m	29.94m
Net per share	†12.10	2.35

† Loss

CROWN ZELLERBACH CANADA

Fourth quarter	1982 C$	1981 C$
Revenue	162.7m	164.9m
Net profits	†3.5m	3.6m
Net per share	†0.41	0.42
Year		
Revenue	654.7m	653.1m
Net profits	†23.3m	17m
Net per share	†2.76	2.04

† Loss

DELTA AIR LINES

Second quarter	1982-83 $	1981-82 $
Revenue	899.1m	894.6m
Net profits	†5.6m	8.5m
Net per share	†0.14	0.21
Six months		
Revenue	1.78bn	1.79bn
Net profits	†21.7m	16.1m
Net per share	†0.55	0.41

† Loss

DOMTAR

Fourth quarter	1982 C$	1981 C$
Revenue	413m	455.2m
Net profits	†3.7m	14m
Net per share	–	0.79
Year		
Revenue	1.69bn	1.76bn
Net profits	†1.6m	63.6m
Net per share	–	3.59

† Loss

ELECTRONIC DATA SYSTEMS

Second quarter	1982-83 $	1981-82 $
Revenue	155.1m	124.1m
Net profits	14.18m	11.13m
Net per share	0.50	0.41
Six months		
Revenue	298.8m	246.3m
Net profits	27.75m	21.74m
Net per share	0.99	0.80

ENGLEHARD

Fourth quarter	1982 $	1981 $
Revenue	602.4m	550.1m
Net profits	17.2m	18.2m
Net per share	0.64	0.68
Year		
Revenue	2.02bn	2.19bn
Net profits	64.8m	66.4m
Net per share	2.41	2.46

FMC

Fourth quarter	1982 $	1981 $
Revenue	908.3m	893.2m
Net profits	45.7m	53.2m
Net per share	1.38	1.59
Year		
Revenue	3.56bn	3.42bn
Net profits	152.4m	176.5m
Net per share	4.56	5.28

FOREMOST CORP OF AMERICA

Fourth quarter	1982 $	1981 $
Revenue	7.22m	8.28m
Net profits	4.38m	9.52m
Net per share	0.67	1.40
Year		
Revenue	20.8m	24.0m
Net profits	16.7m	25.4m
Net per share	2.53	3.84

FRANK B. HALL

Fourth quarter	1982 $	1981 $
Revenue	75.6m	79.7m
Net profits	3m	5.7m
Net per share	0.26	0.49
Year		
Revenue	322.2m	310.2m
Net profits	24m	30.5m
Net per share	2.07	2.65

GREAT NORTHERN NEKOOSA

Fourth quarter	1982 $	1981 $
Revenue	346.8m	365.2m
Net profits	19.9m	24.0m
Net per share	1.21	1.48
Year		
Revenue	1.43bn	1.49bn
Net profits	78.5m	95.0m
Net per share	4.82	5.86

GREYHOUND

Fourth quarter	1982 $	1981 $
Revenue	1.17bn	1.2bn
Net profits	26.7m	30.2m
Net per share	0.61	0.67
Year		
Revenue	4.54bn	4.72bn
Net profits	106.2m	137.5m
Net per share	2.41	3.06

HAMMERMILL PAPER

Fourth quarter	1982 $	1981 $
Revenue	424.8m	442.8m
Net profits	6.67m	13.98m
Net per share	0.63	1.65

HOLLY SUGAR

Third quarter	1982-83 $	1981-82 $
Revenue	82.2m	68.0m
Net profits	†1.19m	†548,000
Net per share	†0.87	†0.35
Nine months		
Revenue	165.3m	195.1m
Net profits	†2.38m	2.43m
Net per share	†1.82	1.53

† Loss

IDEAL BASIC

Fourth quarter	1982 $	1981 $
Revenue	86.6m	110.8m
Net profits	†3.4m	5.3m
Net per share	†0.26	0.39
Year		
Revenue	399.5m	476.7m
Net profits	†33.6m	42.9m
Net per share	†1.83	3.24

† Loss

MAYTAG CO.

Fourth quarter	1982 $	1981 $
Revenue	120.0m	93.6m
Net profits	8.71m	6.35m
Net per share	0.63	0.46
Year		
Revenue	440.8m	408.6m
Net profits	37.10m	37.44m
Net per share	2.68	2.65

McGRAW-HILL

Fourth quarter	1982 $	1981 $
Revenue	335.4m	322.3m
Net profits	32.65m	28.50m
Net per share	1.30	1.14
Year		
Revenue	1.19bn	1.11bn
Net profits	110.0m	96.12m
Net per share	4.40	3.84

MOTOROLA

Fourth quarter	1982 $	1981 $
Revenue	994.9m	933.3m
Net profits	55.1m	43.5m
Net per share	1.46	1.21

PACIFIC TELECOM

Fourth quarter	1982 $	1981 $
Revenue	97.1m	72.8m
Net profits	14.9m	14.1m
Net per share	0.42	0.40
Year		
Revenue	341.1m	278.1m
Net profits	56.9m	47.2m
Net per share	1.62	1.34

POTLATCH CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	200.5m	210.4m
Net profits	6.12m	30.59m
Net per share	0.25	1.85
Year		
Revenue	820.2m	880.5m
Net profits	22.53m	57.80m
Net per share	0.87	3.25

PROVIDENT LIFE

Fourth quarter	1982 $	1981 $
Revenue	304m	281.9m
Net profits	19.4m	10.6m
Net per share	2.07	1.45
Year		
Revenue	1.9bn	1.76bn
Net profits	67.2m	78.9m
Net per share	7.16	8.06

ROTHMANS CANADA

Third quarter	1982-83 C$	1981-82 C$
Revenue	337.6m	–
Net profits	10.3m	11.1m
Net per share	1.78	1.92
Nine months		
Revenue	1.02bn	876.7m
Net profits	32.8m	25.9m
Net per share	5.69	4.45

SCHERING-PLOUGH

Fourth quarter	1982 $	1981 $
Revenue	416.3m	411.6m
Net profits	37.0m	36.1m
Net per share	0.68	0.66
Year		
Revenue	1.82bn	1.81bn
Net profits	183.5m	179.3m
Net per share	3.38	3.31

SCOTT PAPER

Fourth quarter	1982 $	1981 $
Revenue	551.2m	598.4m
Net profits	4.12m	48.8m
Net per share	0.06	1.16
Year		
Revenue	2.28bn	2.30bn
Net profits	74.46m	133.34m
Net per share	1.81	3.22

SUPERIOR OIL

Fourth quarter	1982 $	1981 $
Revenue	504.1m	590.6m
Net profits	24m	73.2m
Net per share	0.19	0.57
Year		
Revenue	2.04bn	2.06bn
Net profits	223.4m	361.3m
Net per share	1.75	2.84

TAFT BROADCASTING

Third quarter	1982-83 $	1981-82 $
Revenue	77.9m	70.9m
Net profits	7.92m	10.93m
Net per share	0.84	1.11
Nine months		
Revenue	325.5m	307.6m
Net profits	34.04m	36.45m
Net per share	3.39	3.57

TIGER INTERNATIONAL

Fourth quarter	1982 $	1981 $
Revenue	386m	420m
Net profits	†600.0m	†13.6m
Net per share	†2.96	†0.79
Year		
Revenue	1.4bn	1.5bn
Net profits	†98.0m	†2.9m
Net per share	†5.81	†0.18

† Loss

TIME INC.

Fourth quarter	1982 $	1981 $
Revenue	975.7m	913.6m
Net profits	43.21m	53.14m
Net per share	0.68	0.86
Year		
Revenue	3.56bn	3.29bn
Net profits	153.1m	148.8m
Net per share	2.45	2.43

TOSCO CORPORATION

Fourth quarter	1982 $	1981 $
Revenue	913.7m	901.5m
Net profits	2.81m	30.09m
Net per share	0.14	1.31
Year		
Revenue	3.47bn	3.43bn
Net profits	120.9m	22.58m
Net per share	5.48	1.02

TRANE

Fourth quarter	1982 $	1981 $
Revenue	260.9m	194.1m
Net profits	2m	8.8m
Net per share	0.20	0.86
Year		
Revenue	865.7m	807.4m
Net profits	23.3m	37.2m
Net per share	2.28	3.65

TYLER

Fourth quarter	1982 $	1981 $
Revenue	216.5m	230.7m
Net profits	2.4m	6.6m
Net per share	0.25	0.71
Year		
Revenue	870.5m	779.9m
Net profits	10.2m	32m
Net per share	1.08	2.81

U.S. GYPSUM

Fourth quarter	1982 $	1981 $
Revenue	341.6m	346.6bn
Net profits	15.5m	21.6m
Net per share	0.93	1.30
Year		
Revenue	1.32bn	1.45bn
Net profits	43.9m	74.2m
Net per share	2.61	4.49

UNION CARBIDE CANADA

Fourth quarter	1982 C$	1981 C$
Revenue	166.8m	204.4m
Net profits	†3m	2.6m
Net per share	†0.22	0.05
Year		
Revenue	661.3m	627.3m
Net profits	†17.9m	36.1m
Net per share	†1.20	1.58

† Loss

UNIROYAL INC.

Fourth quarter	1982 $	1981 $
Revenue	470.0m	558.0m
Net profits	†6.00m	300,000
Net per share	†0.27	†0.03
Year		
Revenue	1.97bn	2.26bn
Net profits	26.0m	52.0m
Net per share	0.78	1.76

† Loss

WESTERN AIRLINES

Fourth quarter	1982 $	1981 $
Revenue	256.5m	233.2m
Net profits	†39.6m	†56.1m
Net per share	†3.08	†4.34
Year		
Revenue	1.07bn	1.13bn
Net profits	†44m	†73.4m
Net per share	†3.56	†5.81

† Loss

WITCO CHEMICAL

Fourth quarter	1982 $	1981 $
Revenue	303.7m	308.7m
Net profits	7.75m	11.22m
Net per share	0.82	1.20
Year		
Revenue	1.31bn	1.29bn
Net profits	28.84m	38.58m
Net per share	3.15	4.14

YELLOW FREIGHT SYSTEM

Fourth quarter	1982 $	1981 $
Revenue	252m	236.4m
Net profits	686,000	3.6m
Net per share	0.05	0.26
Year		
Revenue	990m	936.2m
Net profits	10.7m	16.5m
Net per share	0.75	1.16

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for February 7.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 14¼ 89	75	109⅛	109⅜	0	-0⅛	12.94
Amro Bank 13 89	200	103⅝	104⅛	-0¼	-1¼	12.88
BHP Finance 14¾ 89	150	105⅝	106⅛	0	-0¼	13.27
British Col Hyd 14⅜ 89	200	109¾	110¼	0	-0½	12.32
British Col Hyd 15¼ 92	150	113¾	114¼	+0⅛	-0½	12.59
Canada 14⅜ 87	750	110	110½	+0⅛	0	11.22
Canadair Ltd 12½ 89	175	103	103½	-0¼	-0¾	11.75
Canadian Wheat 11¼ 90	50	98⅛	98⅝	-0⅛	-0¾	11.58
Can Pac Ltd 14⅝ 92	75	107⅜	107⅞	+0⅛	-0½	13.12
Can Pac Sec 15 89	75	107½	108¼	+0⅛	-1⅜	13.08
Citicorp O/S 15 84/92	100	103⅞	104⅜	-0⅛	-0⅝	11.88
Coca Cola Int 8⅞ 92	100	22¼	22¾	–	–	11.17
Coca Cola Int 11¾ 88	100	104⅝	105⅛	-0⅛	-0¾	10.66
Credit Suisse 10½ 89	100	99¼	99¾	-0⅛	-0½	10.58
Deutsche Bk Fin 14⅛ 89	300	108½	109	-0¼	-1	12.18
Du Pont 11⅛ 95	150	97⅞	98⅜	-0¼	-1⅛	11.54
Du Pont 14⅛ 89 WW	200	106⅝	107⅛	-0⅛	-1	12.48
E D C 10¾ 88	100	98⅛	98¾	0	-0⅝	11.15
E D F 12¾ 87	150	102¼	102¾	-0⅛	-0⅜	11.98
E.E.C. 11½ 95	200	96⅜	96⅞	-0⅛	-0½	12.84
E.I.B. 15½ 92	100	110⅜	110⅞	+0⅛	-0½	13.40
Exp Dev Corp 11⅛ 87	100	100⅞	101⅜	-0⅛	-0⅝	11.39
Forsmarks 13¾ 92	75	102¼	102¾	0	-0¼	13.24
Gaz de France 12¼ 93	175	18⅛	18⅝	0	-0⅝	12.52
Gen Elec Credit 9¾ 91	100	12⅜	12⅞	–	–	11.11
Gen Elec Credit 12 89	100	104⅜	104⅞	0	-0½	10.86
Getty Oil Int 14 89	125	106⅛	106⅝	-0¼	-1	12.44
GMAC O/S Fin 10½ 90	200	95½	96	-0⅜	-0⅛	11.41
GMAC O/S Fin 15 87	100	108	108½	-0¼	-0⅛	12.35
GMAC O/S Fin 15 89	125	110⅞	111⅜	+0⅛	-0⅞	12.31
Gulf Oil Fin 12¼ 87	100	103⅝	104⅛	0	-0⅜	11.10
IBM World Trade 12¼ 92	200	108⅜	108⅞	-0¼	-1⅜	10.67
Lloyds Euro 11½ 94	100	17	17½	-1	-1⅝	11.83
Manitoba Prov 11¾ 89	125	102	102½	-0⅛	-1	11.23
Manitoba Prov 13¾ 89	100	107⅝	108⅛	-0¼	-1	11.93
Midland Int Fin 11½ 92	150	98	98½	0	-0½	11.79
Nat West Fin 11¾ 92	150	99⅝	100⅛	+0⅛	-0⅜	11.75
New Brunswick 15¼ 87	75	110⅝	111⅛	-0⅛	-0½	11.92
Newfoundland 15½ 90	75	108⅞	109⅜	0	-0⅜	13.34
Nova Scotia Prv 15¼ 89	75	111¾	112¼	-0⅜	-1⅛	12.48
Ontario Hydro 11¼ 89	200	100½	101	+0⅛	-0⅝	11.08
Ontario Hydro 12¾ 92	200	103¾	104¼	0	-0¾	12.80
Ontario Hydro 15 92	150	113⅞	114⅜	+0⅛	-1⅛	12.39
Prudential O/S 12¾ 87	150	104½	105	-0⅛	-0½	11.35
Quebec Hydro 11½ 92 D	100	98	98½	-0⅛	-0⅛	11.79
R. J. Reynolds 12¾ 89	100	104	104½	-0¼	-1	11.76
Saskatchewan Prov 15 92	150	112½	112⅞	0	-1	12.85
Shell Canada 14⅝ 92	125	106½	107	0	-0⅜	13.04
Superior O/S Fin 14 89	125	106¾	107¼	0	-0⅜	12.38
Swed Exp Credit 14¾ 90	100	105¾	106¼	0	-1	13.37
Swiss Bk Corp 10¼ 90	125	98¾	99¼	-0⅛	-0⅝	10.45
U.B.S. 10⅝ 87	200	101⅜	101⅞	0	-0⅜	10.28
U.B.S. 11 89	150	101⅜	101⅞	0	-0¼	10.63
Walt Disney Pro 12½ 89	75	102⅝	103⅛	-0⅛	-0⅜	11.80
World Bank 10⅞ 90	200	96¼	96¾	-0¼	-1½	11.63
World Bank 11⅛ 98	100	94½	95	-0¾	-1⅞	11.89
World Bank 13¼ 87	300	105⅛	105⅝	0	-0½	11.64

Av. price changes: on day -⅛, on week -⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	99⅞	100⅜	0	-0½	8.22
Asian Dev Bank 8¼ 92	150	98¾	99¼	+0⅛	-0½	8.40
Australia 6⅞ 93	200	97⅝	98⅛	-0⅛	-0⅞	7.18
Australia 7¾ 92	200	101⅜	101⅞	-0¼	-0⅝	7.58
Bayer Capital 7⅝ 89	150	100½	101	0	+0¼	7.47
Beecham Fin 8⅛ 92	125	100⅜	101⅛	+0⅜	+0½	7.92
Black & Decker 9⅛ 89	100	104⅞	105⅛	+0¼	+0⅛	8.14
Caisse Nat Energie 8 93	100	98⅝	99⅛	-0¼	-0⅞	8.17
E.C.S.C. 7½ 93	150	97½	97⅝	-0⅛	-0⅞	7.89
E.C.S.C. 8 94	200	99⅝	100⅛	0	-0½	8.01
E.E.C. 8 94	200	99⅝	100⅛	-0⅛	-0⅝	8.03
E.I.B. 8¼ 92	200	100⅜	100⅞	0	-0⅛	8.14
GKN 8⅞ 89	100	98	98¾	0	+0⅛	8.69
Gould Int Fin 8¼ 89	75	100½	101	0	-0⅜	8.09
Int-Am Dev Bk 8¼ 93	150	98¾	99¼	-0⅛	-0½	8.48
Ireland 8⅞ 91	150	99⅛	99⅝	0	-0⅛	8.98
ITT Antilles 8⅝ 92	100	106⅛	106⅝	0	0	8.23
McDonalds Fin 7⅛ 92	100	99	99½	-0¼	-0⅝	7.23
Mitsubishi Heavy 7⅝ 87	150	99¾	100¼	0	-0¼	7.61
Norsk Hydro 9 92	100	104⅝	105⅛	-0½	-0¼	8.21
O.K.B. 8⅞ 89	100	102⅝	103⅛	+0¾	+0¼	8.25
Sweden Kingdom 8¼ 89	150	99⅝	100⅛	-0⅜	-1⅛	8.27
World Bank 8¼ 92	200	100¾	101¼	+0⅛	-0¼	8.09
World Bank 9 92	200	104	104½	0	-0½	8.31

Av. price changes: on day 0, on week -⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
B.F.C.E. 6¼ 92	100	102⅛	102⅝	+0⅜	-0⅛	5.93
Bowater Int Fin 6 92	100	102¾	103	-0½	-1¼	5.61
Chugoku Ele Pow 6⅛ 91	100	102¾	103	0	-0¾	5.66
City of Oslo 6⅛ 92	100	104¾	105	-0¼	-0¼	5.58
E.E.C. 6¼ 92	100	104	104¼	+0¼	0	5.68
Europarat 6¾ 92	100	102¼	102½	0	-1¾	6.41
First Interstate 6 92	100	103⅞	104⅛	+0⅜	-0⅜	5.46
Gaz de France 6 93	100	102½	102¾	+1	-0½	5.65
Japan Air Lines 6 94	100	102½	103	-1	-1⅞	5.67
Japan Dev Bk 5¼ 92	100	101½	101¾	0	+0¼	5.04
KLM Dutch Air 6¼ 92	80	102¾	103	-0¼	-1⅛	5.85
Kyushu Elec Power 6 92	100	102¼	102½	+0¼	0	5.68
Montreal Urban 6½ 92	100	105¾	106	0	0	5.69
New Zealand 5¼ 92	100	101½	101¾	0	-0⅞	5.03
Nippon Express Co 6 93	50	102¼	102½	0	-0⅛	5.88
Nippon Kokan 5⅝ 93	100	99	99¼	+0¼	-1	5.74
Nisshin Steel Co 6⅛ 92	100	101½	101¾	+0½	-0⅛	6.15
O.K.G. 6¾ 93	80	101⅛	101½	+0½	0	6.56
Philip Morris 5¼ 92	100	102½	102¾	+0¼	-0⅝	4.90
Philips Lamps 5¾ 92	100	104½	104¾	+0⅛	-0⅛	5.13
Quebec 5¾ 92	100	103¼	103½	0	-0½	5.30
Sweden Kingdom 5⅞ 92	100	100¼	100½	-0¼	-1	5.82
Tokyo Elec Power 5⅞ 92	100	102¾	103	+0⅜	0	5.48
Tokyo Metropolis 5⅝ 92	100	101	101½	+0½	-0⅛	5.21
World Bank 5½ 93	100	101⅛	101½	0	-0¾	5.32
World Bank 6¼ 92	100	105½	105¾	-0¼	-0½	5.48

Av. price changes: on day +⅛, on week -⅝

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅝	106⅜	+0½	+0⅛	7.71
E.I.B. 8¼ 92	15	102½	102⅞	-0¼	-1⅛	7.85
Japan Airlines 7⅞ 87	8†	100½	101	-0¼	0	7.65
New Zealand 8¾ 87	15	104	105	-0⅜	-1⅛	7.23
World Bank 8⅞ 92	20	103¾	104½	+0¼	-0⅝	7.72

Av. price changes: on day 0, on week ⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	112½	113	0	-0⅛	13.75
Can Utilities 17 87 C$	35†	114	115	0	+0½	12.53
Gaz de France 15 89 C$	75†	106½	106¾	-0⅛	+0⅛	13.41
Gaz Metro 14½ 92 C$	40†	104¾	105¼	0	-0¼	13.57
O K B 16⅛ 88 C$	63†	114⅛	114⅝	0	-0⅛	12.34
Quebec Hydro 14 92 C$	80†	106½	107	0	-0¾	12.73
Swed Exp Cr 12⅛ 88 C$	50†	97½	98	0	0	12.88
Ireland 12¾ 90 Ecu	30	100⅛	101⅛	0	-0¼	12.60
Thom Brand 12½ 87 Ecu	40	100	101	0	-0½	12.34
Andes 8½ 87 Fl	60	104¼	104¾	0	-0⅛	8.31
Amro Bank 8½ 87 Fl	100	105⅛	105⅝	-0⅛	0½	8.08
Neder Middb 9¼ 87 Fl	100	104¾	105¼	-0⅛	+0¼	7.88
Nedlloyd Grp 10¼ 87 Fl	75	105½	106	+0⅛	+0⅝	8.71
Van Lanschot 10⅛ 87 Fl	50	109	109½	-0⅛	-0⅛	8.05
World Bank 10 87 Fl	100	107⅜	107¾	-0⅛	+0⅛	7.98
O.K.B. 14 86 FF	400	97¾	98¾	0	0	14.75
Solvay & Cie 14¾ 86 FF	200	96¾	97¾	0	-0¼	15.55
B.F.C.E. 14½ 87 £	30	104¾	105¼	-0⅛	+0¼	12.88
C.E.C.A. 13½ 88 £	20	101	102	0	+0¼	13.07
C.N.T. 12½ 88 £	20	97⅞	98⅜	+0⅛	+0¼	12.96
E.E.C. 11⅞ 91	50	94⅞	95⅜	–	–	12.83
Fin For Ind 12¼ 88 £	30	98⅞	99⅞	-0¼	0⅛	12.37
Fin Mat Oranj 12⅝ 92 £	30	21	22	+0⅛	-0⅛	13.22
Gen Elec Co 12½ 89 £	50	102⅛	103⅛	0⅛	+0½	11.74
Hiram Walker 14⅛ 86 £	25	103⅞	104⅞	0⅛	0	12.45
Mort Bk Fin 11¾ 89 £	15	22	23	0	0⅛	13.60
Norsk Hydro 12 90 £	30	24⅛	24⅞	0	0⅛	13.49
Norsk Hydro 14½ 87 £	30	104⅞	105⅞	-0⅛	+0⅛	12.76
Quebec 14½ 88 £	30	103⅛	104⅛	0	+0½	12.57
S.O.R. France 15½ 92 £	30	103½	104½	-0⅛	0	14.65
S.N.C.F. 11½ 88 £	30	16⅛	17⅛	0	0	13.49
Tenneco Int 14¾ 87 £	30	104⅞	105⅞	0	0	11.03
World Bank 11⅞ 91 £	75	22⅜	23⅛	0	0	12.87
Eurofima 10½ 87 LuxFr	500	98⅝	99⅝	0⅛	0⅛	10.72
Europarat 12½ 92 LuxFr	500	104⅛	105⅛	0	0	11.84

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0½	99⅝	100⅛	10/6	9¾	9.78
B.F.C.E. 5¼ 88	0¼	98⅞	99⅜	20/7	9¼	9.33
B.F.C.E. 5¼ 87	0¼	99⅛	99⅝	27/7	9.94	10.00
Caisse Nat Tels 5¼ 90	0¼	99½	99¾	21/4	10.56	10.63
C.C.C.E. 5¼ 2002	0⅜	97¾	98¼	11/3	9⅞	10.08
Copene 5¼ 92	0⅜	99⅝	99⅞	10/8	9.94	9.99
Copene 5¼ 93	0¼	99⅜	99⅝	1/8	9.94	10.00
Chemical NY 5¼ 94 ††	0¼	99⅞	100⅜	23/3	9.94	9.93
Credit Agricole 5¼ 97	0¼	99⅛	99⅝	24/3	12⅞	12.86
Credit du Nord 5¼ 92	0¼	98¾	99¼	23/6	10⅛	10.23
Credit Lyonnais 5¼ 97	0¼	99	99½	1/4	12.19	12.26
Credit Lyonnais 5¼ 94	0¼	98⅞	99⅜	5/7	9¾	9.84
Credit Nat 5¼ 94 ††	0¼	98⅝	99⅛	9/3	12.18	12.32
Kansallis Osake 5½ 92	0⅜	99¾	100¼	8/5	10.86	10.86
Lloyds Eurofin 5¼ 93 §	0¼	99⅞	100⅜	29/4	10.56	10.55
Long Term Cred 5¼ 92	0⅛	99⅝	99⅞	27/5	10⅛	10.15
J.P. Morgan 5¼ 97 §	0¼	100	100½	14/2	10.06	10.04
Nat West Fin 5¼ 91 §	0⅛	99¾	100¼	15/7	9¼	9.25
New Zealand 5¼ 87	0⅛	100⅛	100⅝	7/4	12½	12.44
NZ Steel Dev 5¼ 92	0⅛	99¾	100¼	22/8	10.19	10.18
Nippon Credit 5¼ 90	0⅛	99½	100	10/2	13⅞	13.93
Offshore Mining 5¼ 91	0⅛	99⅝	100⅛	2/6	10.44	10.44
Scotland Int 5¼ 92	0⅛	99⅝	100⅛	23/3	13¼	13.27
Sec Pacific 5¼ 91	0⅛	99⅝	100⅛	24/5	10.08	10.05
Société Générale 5¼ 95	0¼	99	99½	1/3	12.81	12.81
Standard Chart 5¼ 91	0⅛	99⅞	100⅜	18/5	10.69	10.67
Sweden 5¼ 93	0¼	98¾	99¼	3/8	10.19	10.29
Sweden 5¼ 89	0¼	99	99½	28/2	11.81	11.98

Av. price changes: on day +⅛, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	87¾	89¼	0	3.99
Bridgestone Tire 5½ 96	3/82	478	94⅝	95⅞	-0¼	1.92
Canon 7 97	7/82	748.2	159	161	-1⅛	2.24
Fujitsu Fanuc 4½ 98	10/81	5614	92½	94½	0	23.35
Hitachi Cable 5¼ 96	2/82	515	94⅝	96⅝	-1½	6.18
Hitachi Credit Corp 5 96	7/81	1612	85⅞	87⅞	0	24.57
Honda Motor 5½ 97	3/82	635.6	117¼	118¾	+0¼	4.32
Kawasaki 5⅛ 96	9/81	229	69⅞	71⅜	+0⅛	25.77
Kumagai Gumi 6½ 97	10/82	498	111¼	112¾	+0⅛	7.20
Kyoha Hakko 6¼ 97	2/83	762	100⅛	101⅜	+0¼	12.78
Marui 6 96	7/81	846.4	114½	116	-0½	15.27
Minolta Camera 5 98	10/81	826.4	68½	70	1	32.32
Minorco 9¼ 97 †	5/82	8.16	144½	146½	+0½	8.98
Murata 5¼ 96	7/81	1071	87	88½	+0⅛	23.63
NKK 6½ 96	7/81	188	79½	81	0	25.33
Nippon Electric 5⅛ 97	2/82	804.2	116¼	117⅜	-0½	8.81
Olympus Optical 6¾ 97	12/82	1331	100⅛	101⅝	+0⅜	17.48
Orient Finance 5½ 97	3/82	1206	90⅞	92⅜	1⅛	2.66
Sanyo Electric 5 96 †	10/81	652	79½	81	+0⅜	26.53
Sumitomo Electric 5½ 97	3/82	572.3	94	95½	1⅜	10.16
Sumitomo Metal 5¼ 96	10/81	296.1	68⅞	70⅞	0	38.75
Olympus Opt 4½ 92 SF	12/82	1331	105¾	107¼	-0¼	32.78
Konishiroku 6¾ 88 DM	5/82	616	106½	107½	3⅛	6.22
Mitsubishi Heavy 6 89 DM	2/82	263	102¾	103¾	-0½	18.51
Sun Realty 6¼ 92 DM	2/83	365	108¼	109¼	0½	8.82

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Easier gold trend brings copper lower, page 29

WALL STREET

Momentum reluctant to subside

PREDICTIONS of a timely retrenchment for stock prices came under careful review on Wall Street yesterday as shares on the New York Stock Exchange sustained enough of the momentum achieved last Friday to push the Dow Jones industrial average back within range of the 1,100 level, *writes Duncan Campbell-Smith in New York.*

The Dow retreated during the afternoon from its highest levels around 1,091 reached earlier in the day. But it still closed up 9.19 at 1,087.10. Advancing stocks outnumbered those declining by nearly two to one, in a trading volume of 86m shares.

Notable gainers among the blue chip stocks included General Electric, up $2⅞ to $103; Procter and Gamble, up $1⅞ to $110⅝; Merck, up $1 to $86; and Monsanto, up $2⅝ to $88⅝.

General Motors, which gained $⅞ to $62⅝, reported 1982 earnings of $3.09 per share against $1.07 after the close.

High technologies were uncharacteristically weak in the face of a strong market. IBM fell $½ to $96⅞ and National Semiconductor, one of the day's most actives, shed $⅞ to $32⅝. Two others which fell back after heady performances late last week were Motorola, down $1½ to $111¼, and Texas Instruments, down $3⅜ to $171¼. The latter reported 1982 earnings of $6.10 per share against $4.62.

Pan Am, again high on the actives list, said it was increasing from $100m to $135m its proposed offering of convertible secured trust notes. The shares closed down $⅛ to $4⅞.

Trans World, parent company of TWA, announced that 5m shares in its airline subsidiary are to be sold to the public – comprising 3.3m new shares and 1.7m presently held by Trans World, reducing the parent's stake from 100 per cent to 84 per cent. A price range of $14 to $17 was indicated for the airline's shares. Trans World's own shares lost $⅝ to $32¼.

International Harvester slipped $⅝ to $5⅝ and Mesa Trust, the single most active stock on the Big Board, was up $¼ to $2⅛ on 1.91m shares traded.

Quiet trading conditions in the bond and money markets left interest rates generally unchanged after the bond market surrendered an initial quarter-point gain. Dealers said there was little sign of a follow-through after the appearance late last week of renewed retail buying of new Treasury issues.

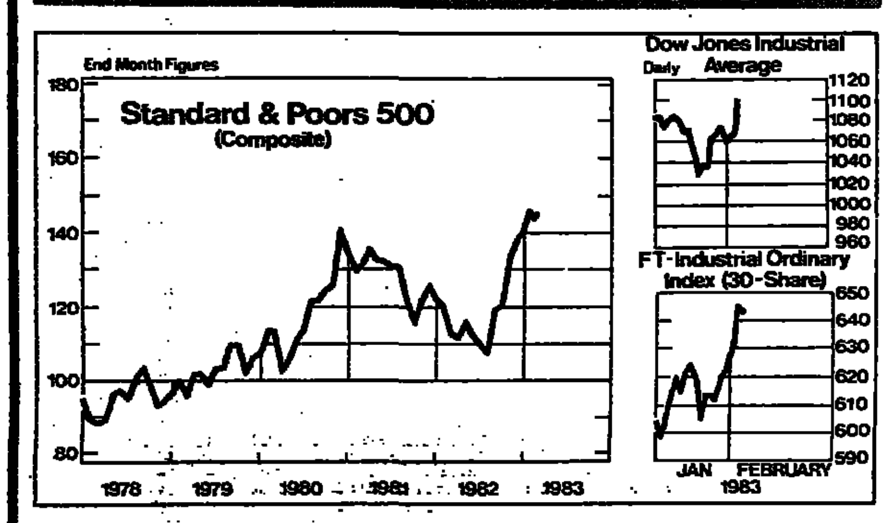
Federal Funds closed around 8⅝ per cent, at the low end of the day's range. Treasury Bills remained around 8.47 per cent for three months and 8.83 per cent for six months, on a bond equivalent basis. The new 10⅞ per cent notes due 1986 were around 99²⁷⁄₃₂ bid to yield 10.09 per cent and the 10⅞ per cent notes due 1993 around 99¹⁹⁄₃₂ to yield 10.95 per cent.

Both are trading on a when-issued basis until February 15 and dealers said a significant amount of the notes appeared still to be held in professional hands.

The 10⅜ per cent long bond due 2012 seemed to have been most fully distributed, they said, in an auction which depressed prices less than many dealers had expected. The long bond was yesterday around 93²⁹⁄₃₂ to yield 11.05 per cent.

Strength in the oil and gas sector was partially offset in **Toronto** by weakness in golds and transport issues, but advances overall still managed a healthy edge over declines. Industrials and banks in **Montreal** were mainly responsible for a firmer tone which emerged at the outset there.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Feb 7	Previous	Year ago
NEW YORK			
DJ Industrials	1087.10	1077.91	851.03
DJ Transport	483.64	485.07	357.17
DJ Utilities	125.74	125.05	106.95
S&P Composite	146.93	146.14	117.26
LONDON			
FT Ind Ord	643.0	644.0	570.7
FT-A All-share	401.08	402.34	327.83
FT-A 500	435.05	435.47	347.7
FT-A Ind	410.78	411.34	317.86
FT Gold mines	675.0	668.5	289.7
FT Govt secs	77.55	77.46	64.68
TOKYO			
Nikkei-Dow	8,010.91	8,022.89	7,801.88
Tokyo SE	583.47	583.97	574.63
AUSTRALIA			
All Ord.	503.2	513.5	549.7
Metals & Mins.	440.9	452.8	401.5
AUSTRIA			
Credit Aktien	49.17	49.04	55.14
BELGIUM			
Belgian SE	103.82	103.22	94.61
CANADA			
Toronto Composite	2065.04	2055.0	1731.30
Montreal Industrials	353.34	350.1	300.45
Combined	340.09	337.24	285.08
DENMARK			
Copenhagen SE	103.51	103.42	97.07
FRANCE			
CAC Gen	103.8	103.6	107.6
Ind. Tendance	107.2	107.3	117.2
WEST GERMANY			
FAZ-Aktien	253.51	253.33	229.21
Commerzbank	760.7	759.7	698.1
HONG KONG			
Hang Seng	891.01	895.45	1365.70
ITALY			
Banca Comm.	186.13	182.98	188.11
NETHERLANDS			
ANP-CBS Gen	105.7	105.7	88.0
ANP-CBS Ind	92.0	92.1	69 0
NORWAY			
Oslo SE	134.77	130.44	111.04
SINGAPORE			
Straits Times	774.06	777.8	788.96
SOUTH AFRICA			
Golds	983.5	1034.4	540.2
Industrial	813.2	829.5	710.8
SPAIN			
Madrid SE	n/a	103.85	108.65
SWEDEN			
J & P	n/a	1072.65	602 33
SWITZERLAND			
Swiss Bank Ind	302.4	302.6	253.1

GOLD (per ounce)

	Feb 7	Prev
London	$493	$499
Frankfurt	$491.50	$498.50
Zürich	$491.50	$498.50
Paris	$498.05	$507.43
New York futures (Feb)	$494.20	$493.90

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Feb 7	U.S. DOLLAR Previous	STERLING Feb 7	STERLING Previous
£	1.5325	1.5195	–	–
DM	2.4525	2.4750	3.76	3.76¼
Yen	237.50	240.40	364	365½
FFr	6.9575	7.0	10.66½	10.66½
SwFr	2.0230	2.0350	3.10¼	3.09½
Guilder	2.6960	2.7190	4.13¼	4.13½
Lira	1415¼	1425	2168½	2165
BFr	48.17	48.47	73.80	73.65
C$	1.2250	1.2290	1.8770	1.8670

INTEREST RATES

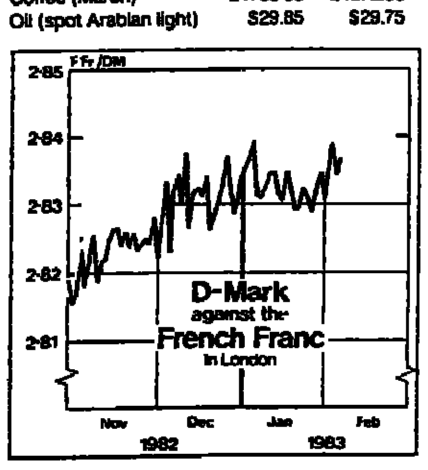
	Feb 7	Prev
Euro-currencies (three month offered rate)		
£	11⅜	11⁷⁄₁₆-
SwFr	3³⁄₁₆	3¼
DM	5⅞	5⅞
FFr	21⅜	20½
FT London Interbank fixing (offered rate)		
3-month U.S.$	9½	9⁷⁄₁₆
6-month U.S.$	9¹³⁄₁₆	9¾
U.S. Fed Funds	8⅝	8⅝
U.S. 3-month CDs	9	9
U.S. 3-month T-bills	8.24	8.22

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% $100,000 32nds of 100%				
March	73–01	73–12	72–30	72–25
U.S. Treasury Bills (IMM) $1m points of 100%				
March	91.68	91.75	91.67	91.65
Cert Deposit (IMM) $1m points of 100%				
March	90.92	90.92	90.76	90.78
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.41	90.43	87.25	90.37
20-year Notional Gilt £50,000 32nds of 100%				
March	98–26	98–31	98–16	98–28
Three-month Sterling Deposit £250,000 points of 100%				
March	88.98	88.97	88.85	88.92

LONDON COMMODITY MARKETS

	Feb 7	Prev
Silver (spot fixing)	899.75p	933.4p
Copper (Cash)	£1049.50	£1059.50
Coffee (March)	£1703 00	£1672.50
Oil (spot Arabian light)	$29.85	$29.75



EUROPE

Politicians provide the pointers

CONFIDENCE among West German, Belgian and Italian investors that their respective governments had become better placed to survive threatened splits or impending elections gave a stronger edge to stock prices there yesterday, but most other continental European bourses ended mixed and featureless.

The apparent success of the Martens coalition in putting divisive regional and linguistic issues in abeyance took **Brussels** domestic shares higher in lively trading. Of the holding companies, Société Générale gained BFr 18 to BFr 1,338 and Sofina BFr 45 to BFr 3,950, but Bruxelles Lambert eased BFr 10 to BFr 1,560.

In chemicals, Solvay improved BFr 55 to BFr 2,285 but Gevaert encountered a BFr 65 setback to BFr 1,735. Metals did well.

In the foreign sector, U.S. stocks were higher and gold mines lower, the rest showing no marked movement.

A good reception to the appointment of a new chairman for ENI, Italy's state-owned energy concern, brought renewed improvement in **Milan**, where trading was also conducted at a swifter than usual pace.

Fiat rose L104 to L2,105, Olivetti L454 to L2,449 and Snia Viscosa L18 to L839. La Centrale added L99 to L2,460 on rumours that it might sell its majority holding in Toro Assicurazioni, the insurance group, which itself advanced L450 to reach L12,000.

A day of confused movements in **Frankfurt** saw prices change direction several times as falls were checked by bargain-hunting from both domestic and foreign investors. More widespread circulation for an opinion poll predicting a parliamentary majority for the conservative CDU and CSU was also said to have aided sentiment.

Chemicals were favoured: Hoechst rose DM 2.70 to DM 120, Bayer DM 1.30 to DM 119.80 and BASF the same amount to DM 123.80.

In metals, Metallgesellschaft reached a peak of DM 250 – a full DM 15 above Friday's close – before settling to DM 247. Preussag, which forecast little or no growth this year, shed DM 1.50 to DM 212. Steels were generally weaker, however.

Paris prices failed to respond to the stimulus of a cut in call money from 12¾ to 12⁹⁄₁₆ per cent, offsetting a climb in the rate last week.

Peugeot, which is to raise car prices following a government accord with the industry, slipped FFr 1.60 to FFr 139.40, while Matra shed FFr 8 to FFr 1,200.

In a slightly higher **Amsterdam** finish, KLM moved up Fl 2 to Fl 158.50, banks were steady, and investment issues mainly higher. Publisher VNU added Fl 1.70 to Fl 67.30.

Substantial gains were, however, achieved in **Stockholm**, with trading heavy and industrial and manufacturing concerns favoured. Alfa-Laval, which has technological involvements in food and agriculture, gained SKr 35 to SKr 365.

AUSTRALIA

Poll pressure

SELLING pressure intensified through the day in Sydney as reaction continued to the calling of a federal election for March 5.

Leading resource issues were particularly hard hit, with the sector's index 11.9 lower at 387.6 while the All Ordinaries marker fell 10.3 to 503.2. Heavyweight miners, golds, developers, contractors, textile and clothing manufacturers, heavy engineering stocks, banks and property trusts all suffered.

BHP shed a further 34 cents to A$6.40 on poor results and CSR 10 cents to A$2.70.

Quieter trading in **Melbourne** nonetheless left industrials significantly weaker as falls outnumbered rises five to one.

LONDON

Earmarking of funds leads to lull

A FURTHER lull in investment support caused London equity values to drift back from a slightly higher opening prompted by Wall Street's strength last Friday. Sizeable funds were being reserved for an Associated British Ports' offer for sale this week and some institutional investors appeared still to be hopeful of better buying opportunities later in the current three-week trading account.

Account day influences and a breakdown of water workers' national pay talks blunted enthusiasm but, despite the paucity of trade, leading industrials again showed underlying resilience. Many blue chip issues made a ready response to relatively small demand generated by New York's renewed early strength.

ICI, the chemicals group, was a case in point, moving up from 382p to close a net 8p at 392p following revived American interest. Earlier, the performance of the FT Industrial Ordinary index had been affected by BOC International, which fell to 170p after disappointing first-quarter results before rallying smartly to end 5p down on balance at 178p. The index was 3.7 lower at 3pm, but closed only a point off on the day at 643.0.

Gilt-edged securities again mirrored the trend of sterling, and eased prior to recovering with a close marginally dearer on the session.

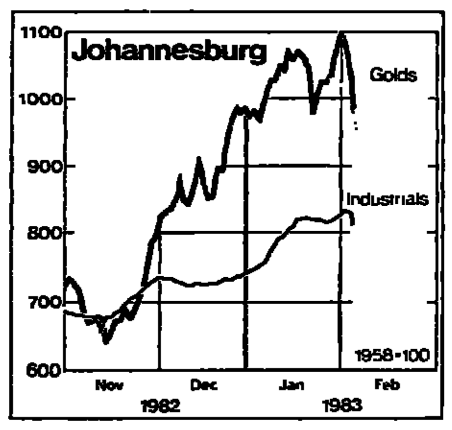
Strong demand emerged from Johannesburg for South African golds after the ending of the rand's dual exchange rate structure.

Weakness in the bullion price earlier in the day discouraged demand from other centres, but the South African interest, allied to a comparative reluctance to sell in other quarters, led to several good rises. Bullion recovered from a low morning fix of $489 and closed at $493, a fall of $6 on the day.

Randfontein Estates stood out among the heavyweights, finishing £2¼ to the good at £89 with Southvaal rising £2⅛ to £40.

The gold-based South African financials also put up a good showing, with the recently strong Gold Fields of South Africa advancing £⅞ to a high of £82¾ on further consideration of encouraging first-half results last week.

London financials lost ground until just before the close, when a minor rally set in.



SOUTH AFRICA

Rush to sell

HECTIC two-day trading left Johannesburg stocks at or near their day's lows – an average 10 per cent off their levels of last week – in response to the removal of exchange controls for non-residents.

Golds showed the severest setbacks, unsettled additionally by the failure of the bullion price to hold the $500 mark. Among the heavyweights, Hartebeespoort plunged R11.50 to R94.50.

Elsewhere Rustenburg Platinum slipped R1.30 to R8, and in mining financials Anglo-American ended R2.25 down at R21.50. De Beers fell R1.15 to R8.50.

A midsession rally failed as investors foresaw an intensification of selling pressure from New York. Industrials, although not as prominent in foreign portfolios, were far from immune: Barlows fell 85 cents to R11.65 and Amic R2 to R31.

FAR EAST

Buying incentive elusive

THE REGION'S main stock markets moved without conviction yesterday to finish slightly lower on balance in the absence of any strong incentive to buy.

In **Tokyo**, where the Nikkei-Dow Jones market average dipped 11.98 to 8,010.91 after recovering a little on Friday and Saturday, international popular fluctuated irregularly but bargain-hunting gave a firm edge to steels and shipbuilders. Volume was thin, however, at some 300m shares.

Nippon Steel, leader of the actives with just under 27m shares traded, improved Y4 to Y152.

Profit-takers once more eroded recent sharp gains in papers and pulps, non-ferrous metals and shipping lines, while many low-priced domestic industry issues finished mixed.

Of the vehicle majors, Nissan fell Y5 to Y750 but Honda added Y7 to 1977. Among audio and electronics issues, Hitachi slipped Y4 to Y765 but Sony gained Y30 to Y3,410.

The second market, by contrast, closed higher in more active trading.

The Japanese Finance Ministry again entered the domestic bond market as a buyer in order to maintain terms for February 10-year national issues.

A steady opening by **Hong Kong** stocks gave way to uncertain easiness, with trading leaders mainly holding up but banks weak. Hutchinson Whampoa and Jardine Matheson each firmed 10 cents to HK$11.90 and HK$13.90 respectively, while Hang Seng Bank fell HK$1 to HK$49 and Hongkong Bank five cents to HK$8.35.

Singapore underwent bouts of profit-taking followed by selective support to end narrowly mixed. There, too, banks showed weakness, with United Overseas off four cents to S$3.96 and Development Bank five cents to S$7.95.

NEW YORK STOCK EXCHANGE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 27

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued on Page 28

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 26

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
59	29½	Waste	.52	.9	25	538	59	58¼	58⅝	+ ¼
65½	21½	Watkin	.48	.7	20	111	u66⅛	65½	65¾	+1
11	7¼	WayGos	.20	1.6	8	38	u11⅛	11	11⅛	+ ⅛
22	15¾	WayG	pf1.60	7.1		4	u22½	22	22½	+ ½
5⅛	3½	WeanU				74	4½	4¼	4⅜	− ⅛
12⅛	4⅝	WebbD				1096	u12½	12	12⅛	+ ¼
42½	24¼	WeisM	s .84	2.0	14	24	42⅛	41½	42⅛	+ ⅞
34¼	18¼	WellsF	1.92	7.2	5	509	26⅞	26½	26½	− ½
28⅝	17¾	WsFM	2.60	10	14	46	26¾	26½	26¾	+ ¼
16⅝	8⅝	Wendy	s .24	1.7	13	2962	14⅛	13⅝	14	+ ⅛
22⅞	12⅛	West	s .36	1.8	13	52	20⅛	19⅝	20⅛	

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

HOLLAND

[illegible]

HOLLAND (continued)

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Stock	Closing price	Day's change
Arlen Elec	365	−15
BOC	178	−5
Carless Capel	167	−11
Erco	520	+88
Huntleigh	92	−21
ICI	392	+8
Imperial Group	127	—
Mettoy	36	−6
Randfontein	£89	+2½
RTZ	525	−23
Southvaal	£40	+2⅛
Spring Grove	74	+7

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Fri. close	Day's change
Arlen Elect	44	380	+43
Lon & Liv Tst	28	608	−20
Imd Bs Systms	20	305	−22
Royal Ins.	20	508	−14
Bio-Isolates	19	430	+10
Valor	17	113	+20
BAT Inds.	16	740	—
Cons Gd Fields	15	555	+5
BTR	14	416	+14
Glaxo	14	£14	−¼
Mettoy	14	42	−8
UEI	14	323	+18
Carless Capel	13	178	+3
Keep Inv.	13	20½	—

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	24	12	61
Corpns., Dom and Foreign Bonds	10	15	51
Industrials	270	289	772
Financial & Props.	132	82	300
Oils	20	26	65
Plantations	5	6	11
Mines	52	49	48
Others	63	42	44
Totals	576	521	1,352

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (124)

AMERICANS (5)
CANADIANS (4)
BANKS (1)
BREWERS (1)
BUILDINGS (7)
CHEMICALS (3)
DRAPERY & STORES (2)
ELECTRICALS (6)
ENGINEERING (5)
FOODS (3)
HOTELS (1)
INDUSTRIALS (14)
LEISURE (1)
MOTORS (2)
PAPER (2)
PROPERTY (6)
SHIPPING (2)
SOUTH AFRICANS (7)
TEXTILES (3)
TRUSTS (33)
PLANTATIONS (1)
MINES (15)

NEW LOWS (10)

BANKS (1)
First National Wts.
ELECTRICALS (2)
Io Technology Newmark (Louis)
ENGINEERING (1)
United Wire
FOODS (1)
Meat Trade Suppliers
INDUSTRIALS (2)
Assoc. Heat Services Humleigh
PROPERTY (2)
Amal. Estates Espley-Tyas
TEXTILES (1)
Dixon (David)

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 7	Feb 18	May 19	May 31
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27

For rate indications see end of Share Information Service

Calls were arranged in Polly Peck, Combined Technologies, Helene of London, Premier Oil, Adcom, Immediate Business Systems, Burton, Gill and Duffus, Keep Investment, Celtic Haven, Grovebell, Mettoy, Audiotronic, Ault and Wiborg.

FINANCIAL TIMES STOCK INDICES

	Feb. 7	Feb. 4	Feb. 3	Feb. 2	Feb. 1	Jan. 31	year ago
Government Secs.	77.65	77.46	77.91	77.18	77.23	77.02	64.68
Fixed Interest	79.72	79.72	79.70	79.22	79.03	79.07	65.17
Industrial Ord.	643.0	644.0	646.8	632.2	628.4	622.7	570.7
Gold Mines	675.0	668.5	676.9	673.3	699.0	677.0	289.7
Ord. Div. Yield	4.77	4.76	4.73	4.84	4.85	4.88	5.37
Earnings, Yld.% (full)	10.21	10.20	10.14	10.40	10.43	10.47	9.48
P/E Ratio (net) (*)	11.76	11.78	11.84	11.54	11.51	11.46	13.82
Total bargains	23,935	27,440	21,853	25,064	26,616	25,280	19,088
Equity turnover £m.	—	259.55	281.35	297.92	304.77	235.51	111.47
Equity bargains	—	25,214	24,899	23,843	25,059	27,217	15,595
Shares traded (ml)	—	185.8	203.9	201.6	196.1	164.5	90.2

10 am 645.4. 11 am 644.0. Noon 642.8. 1 pm 641.9. 2 pm 641.5. 3 pm 640.3.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. *Nil = 10.94.

Gold Mines 12/10/56. SE Activity 1974. Latest Index 01-246 8026.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (3/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	646.8 (3/2/83)	518.1 (5/1/82)	646.8 (3/2/83)	49.4 (26/6/40)
Gold Mines	699.0 (1/2/83)	181.2 (22/6)	699.0 (1/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 4	Feb. 3
—Daily		
Gilt Edged Bargains	174.4	158.3
Equities Bargains	163.4	161.3
Value	624.6	568.7
5-day Avrge		
Gilt-Edged Bargains	161.8	167.9
Equities Bargains	163.8	163.2
Value	557.5	578.4

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon Feb 7 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Feb 4 Index No.	Thur Feb 3 Index No.	Wed Feb 2 Index No.	Tues Feb 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	434.61	−0.1	9.11	3.94	13.71	435.21	434.80	426.73	425.27	375.71
2	Building Materials (24)	425.83	−0.8	9.92	4.46	12.15	429.39	429.95	423.86	417.48	334.33
3	Contracting, Construction (30)	768.24	+0.3	11.47	4.29	10.39	765.60	758.22	747.41	740.84	593.11
4	Electricals (32)	1683.13	+0.1	7.50	2.15	17.09	1681.93	1680.16	1578.08	1580.53	1266.80
5	Engineering, Contractors (10)	405.98	+0.4	17.26	7.37	7.09	404.52	404.65	394.70	391.82	519.15
6	Mechanical Engineering (66)	206.03	−0.1	11.03	5.67	11.38	206.25	205.98	201.55	200.72	199.52
8	Metals and Metal Forming (11)	166.29	−0.4	13.07	7.48	9.18	167.02	167.73	167.45	166.39	178.03
9	Motors (18)	85.50	−0.4	0.46	7.34	—	85.81	86.77	82.56	79.85	100.14
10	Other Industrial Materials (17)	405.37	−0.4	8.64	5.26	14.40	406.88	399.11	389.84	389.20	409.73
21	CONSUMER GROUP (201)	418.85	−0.3	9.99	4.24	12.15	419.97	420.92	414.51	411.57	294.40
22	Brewers and Distillers (23)	468.21	−0.2	10.79	4.57	11.32	469.08	469.33	458.16	457.81	298.29
25	Food Manufacturing (21)	342.63	−0.7	13.33	5.38	8.79	345.19	344.30	343.60	343.58	283.65
26	Food Retailing (14)	848.79	−0.6	7.50	2.85	16.75	853.99	854.86	850.11	850.81	596.53
27	Health and Household Products (8)	716.64	−0.2	5.58	2.54	21.57	717.98	722.60	707.46	705.76	387.22
29	Leisure (24)	498.77	+0.7	8.26	4.83	15.71	495.15	494.98	486.76	486.52	441.23
32	Newspapers, Publishing (13)	711.60	+0.5	8.69	4.55	15.35	707.88	707.07	703.23	700.17	502.50
33	Packaging and Paper (14)	162.10	−0.8	14.37	6.91	8.17	163.44	164.43	161.17	159.64	145.61
34	Stores (47)	364.48	−0.1	8.30	3.77	15.96	364.83	367.01	361.46	352.94	262.45
35	Textiles (23)	190.00	+0.8	12.54	5.64	9.71	188.40	187.67	183.25	181.85	160.78
36	Tobaccos (3)	510.56	−0.9	17.18	5.43	6.43	515.33	516.31	512.06	503.91	301.83
39	Other Consumer (11)	364.26	−0.9	2.31	3.82	—	367.67	363.38	362.24	361.21	278.92
41	OTHER GROUPS (77)	312.62	+0.4	10.91	5.24	11.01	311.30	310.76	307.65	307.37	260.26
42	Chemicals (15)	412.32	+0.7	11.95	5.87	9.94	409.40	410.75	404.68	403.08	347.68
44	Office Equipment (5)	99.24	+0.7	11.15	5.76	11.05	98.58	99.81	100.11	100.79	130.72
45	Shipping and Transport (13)	546.86	+1.2	15.84	7.78	7.52	540.54	537.51	529.79	532.88	504.76
46	Miscellaneous (44)	443.20	—	8.95	4.30	13.61	443.24	440.11	437.30	437.09	322.73
49	INDUSTRIAL GROUP (486)	410.78	−0.1	9.81	4.27	12.46	411.34	411.36	405.36	403.70	327.86
51	Oils (14)	704.83	+0.1	17.94	8.20	6.57	704.03	707.29	704.92	704.80	683.80
59	500 SHARE INDEX	435.05	−0.1	10.94	4.81	11.09	435.49	435.78	429.92	428.04	347.70
61	FINANCIAL GROUP (121)	296.93	—	—	5.95	—	297.06	300.08	294.76	293.29	259.06
62	Banks (6)	309.50	−0.1	32.58	7.79	3.35	309.73	315.09	308.75	306.24	282.34
63	Discount Houses (8)	289.25	+2.1	—	8.44	—	283.39	272.39	271.24	271.24	235.38
65	Insurance (Life) (9)	368.20	−0.2	—	5.20	—	369.03	371.80	362.26	359.49	258.38
66	Insurance (Composite) (10)	199.32	−1.4	—	7.14	—	202.20	206.58	205.03	203.67	160.52
67	Insurance Brokers (7)	564.40	−0.1	11.37	4.83	12.24	564.80	566.05	562.54	567.62	443.67
68	Merchant Banks (13)	169.72	+0.5	—	5.09	—	168.91	167.18	166.50	165.51	154.26
69	Property (54)	446.72	+0.2	5.78	4.01	22.86	445.79	445.95	434.86	434.03	459.52
70	Other Financial (14)	223.74	+3.0	12.48	5.26	9.51	217.25	220.13	215.71	214.90	180.88
71	Investment Trusts (109)	400.11	+0.1	—	4.20	—	399.85	397.09	395.54	397.49	317.94
81	Mining Finance (4)	268.59	−2.7	7.64	5.29	17.52	275.93	274.31	272.65	274.88	234.67
91	Overseas Traders (16)	441.01	+0.3	11.32	8.20	11.67	439.77	442.55	436.05	435.20	433.69
99	ALL-SHARE INDEX (750)	401.80	−0.1	—	5.01	—	402.34	403.02	397.61	396.17	327.33

FIXED INTEREST

	PRICE INDICES	Mon Feb 7	Day's change %	Fri Feb 4	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.62	+0.02	116.60	—	0.98
2	5-15 years	124.03	+0.13	124.02	0.16	1.78
3	Over 15 years	130.29	+0.18	130.06	—	0.14
4	Irredeemables	134.89	—	134.89	—	0.00
5	All Stocks	123.51	+0.11	123.43	0.06	1.07
6	Debentures and Loans	99.25	+0.01	99.24	—	0.64
7	Preference	76.07	+0.05	76.03	—	0.32

	AVERAGE GROSS REDEMPTION YIELDS		Mon Feb 7	Fri Feb 4	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	9.22	9.21	12.67
2		15 years	10.80	10.82	13.67
3		25 years	11.05	11.09	13.44
4	Medium Coupons	5 years	11.70	11.75	15.35
5		15 years	11.92	11.94	15.22
6		25 years	11.51	11.53	14.64
7	High Coupons	5 years	11.90	11.91	15.44
8		15 years	12.10	12.12	15.36
9		25 years	11.68	11.70	14.99
10	Irredeemables†		11.02	11.01	13.61
11	Debs & Loans	5 years	12.83	12.75	16.27
12		15 years	12.81	12.85	16.10
13		25 years	12.82	12.90	15.99
14	Preference†		13.12	13.13	15.63

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW YORK AND CANADA

Indices

NEW YORK-DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

RISES AND FALLS

[illegible]

MONTREAL

[illegible]

TORONTO Composite

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 27

[illegible]

COMMODITIES AND AGRICULTURE

Coffee futures move ahead

By Our Commodities Staff

COFFEE VALUES on the London futures market moved ahead strongly yesterday with the May position reaching £1,658 a tonne before closing £40.50 up at £1,647 a tonne.

Dealers said market sentiment had picked up on the strength of last week's price consolidation following the preceding sharp dip in values.

Yesterday's upward movement—which came despite a stronger performance from sterling—accelerated late in the day after a firm opening in New York.

This was attributed to reports that Colombia was almost sold out of its January/March export quota under the International Coffee Agreement.

Colombian selling at progressively lower prices has been the main factor holding down the New York coffee market recently.

P. C. Mahanti writes from Calcutta: India's tea board has been asked to prepare a crash plan to ensure that at least 225m kilograms of tea are exported during the current financial year.

The request comes from the Central Commerce Ministry.

Total tea exports during the first nine months of 1982-83 are down by 37.6m kg compared with the same period last year.

Calculating the figure on a calendar year basis, India's tea exports during 1982 were only 185.9m kg.

● A 10-day-old strike by about 6,000 bargemen who run the water transport link between Calcutta port and the jute mills has seriously disrupted India's jute goods export drive.

Easier trend in gold brings lower copper values

BY JOHN EDWARDS, COMMODITIES EDITOR

THE EASIER trend in gold, and yet another rise in warehouse stocks, brought lower copper prices on the London Metal Exchange yesterday.

High-grade cash copper closed £10 lower at £1,049.5 a tonne, but the market rallied from the lows following a steadier opening in New York and the partial recovery in gold.

Last week's rise of 6,825 tonnes in copper stocks held in the LME warehouses increased total holdings to 286,325 tonnes. It was the 18th consecutive weekly rise and means that total holdings have more than doubled since the end of September.

The build-up in stocks suggests that consumers are still not convinced yet that an industrial recovery is on the way. But the rapid recovery in the market yesterday indicates speculators are taking a more "bullish" view.

Other base metal markets held generally steady in spite of new stocks increases. Lead holdings reached a new peak of 134,825 tonnes rising by 1,525 tonnes.

Tin stocks were up by 230 to 34,375 tonnes; nickel by 336 to 8,100; aluminium by 125 to 262,500 and zinc by 200 to 91,300 tonnes. LME silver holdings, however, dropped by 1,690,000 ounces to 34,420,000.

Reuter reported from Hanover that Preussag, the West German zinc smelter, is expected to follow the European zinc producer price cut from $800 to $750 a tonne announced by three leading producers last week.

However, Guenther Sassmannshausen, president of the West German Metals Association, predicted producer zinc prices would start rising again in the second quarter of 1983.

Mr Sassmannshausen claimed there was readiness for an early reopening of talks on a rationalisation plan for the European zinc smelting industry recently put to the EEC Commission, in spite of French and Belgian objections.

He forecast that Australian Mining and Smelting (Europe) would close its UK smelter at Avonmouth this year, regardless of whether any progress was made on the rationalisation plan, under which zinc producers would be paid from a common fund to close surplus production capacity.

A.M. and S. (Europe) in London has refused to comment on Mr Sassmannshausen's statement.

In the past, A.M. and S. has made no secret of the fact that it is participating in the talks seeking a cut in the European zinc smelting industry.

French and Belgian objections to closures in their countries suggest that there is little chance of the scheme going through in spite of strong pressure from the Germans.

Record Chinese grain harvest

By Our Peking Correspondent

CHINA recorded a bumper grain harvest last year of more than 344m tons, 12m tons above the previous record.

China's best previous grain producing year was 1979 when output was 332m tons. Western agricultural experts in Peking say the record 1982 harvest is the result of favourable growing conditions and a new system of management that gives farmers material incentives to produce more grain.

The grain figure was published in Peking Review, the official weekly news magazine, in an article on China's foreign trade prospects by Chen Muhua, the Minister of Foreign Economic Relations and Trade.

China has also announced recently record cotton production of 3.3m tons for 1982, up 10 per cent on 1981, and increases of 7.3 per cent to 11m tons in output of oil bearing crops.

Western agricultural officials expect China to continue to be a significant purchaser of grain on world markets despite the record 1982 output.

Australian farmers count the cost of drought

BY MICHAEL THOMPSON-NOEL IN SYDNEY

IN BROKEN HILL, deep in the dustbowl of western New South Wales, a grazier guzzles his beer, swats at the flies, and tells you that the difference betwen good and bad farm management is often a single thunderstorm. Not that he's seen one lately.

At Wilcannia, north-west of Broken Hill, the earth is barren. The Darling river is dry for stretches of up to 50 miles.

In West Wyalong, south-east of Wilcannia, in the wheat-sheep belt of central New South Wales, there has been a surge in stress-related illnesses among out-of-work farm hands.

That is the face of the current Australian drought, described by the Government as the worst on record. Mr Peter Nixon, the Minister for Primary Industry, says Australian agriculture is facing a particularly critical time.

About 60 per cent of all farm land is drought-stricken, wheat production has been virtually halved. More than 87m sheep (65 per cent of the total) are in drought-affected areas, and so are about 14m cattle (62 per cent of the national herd).

Agriculture still accounts for nearly half Australia's total exports and the drought, which in some areas is nearly four years old, has coincided, with depressed earnings and rising unemployment in minerals, metals, and manufacturing.

Dr Onko Kingma, of the Canberra-based bureau of Agricultural Economics, told the recent National Agriculture Outlook conference that 1982-3 was proving to be the farmer's worst year in three decades. Some 74,000 farms are drought-affected, with the halving of the grain crop the single factor most affecting farm returns.

The estimated net real value of Australian farm income for 1982-3 (prices received minus costs incurred, adjusted for inflation) has been revised downwards from $A3.34bn (£2.12bn) last July to $A2.25bn.

At the same time, farm debts have risen from $A4.75bn last June to about $A5.5bn, while the impact of drought has been exacerbated by generally poor demand for farm products.

The current drought is worse than the big one of 1965-67, mainly because Australian agriculture is now much more intensive and more highly capitalised than it was in the sixties.

One of the most graphic illustrations of the drought's impact is Dr Kingma's estimate that average farm income per person-year of family labour is expected to have been slashed from $A10,923 in 1981-82 to $A2,092 in 1982-83. It is also estimated that for every dollar lost in rural output, a further $A0.50-$1.00 is lost in non-agricultural production.

Key farm sectors include the following:

Wheat: the 1982-83 harvest is forecast at 9m tonnes, down 45 per cent on last year, worth $1.60bn (−40 per cent). Given normal rains, production this year could reach more than 16.4m tonnes, though prospects for significantly improved wheat yields are limited.

Beef: Cattle numbers at March 31, 1983 are forecast at 22.4m (down 2.1m on March last year), the fall caused mainly by drought-induced slaughtering. Total slaughterings and beef production are expected to fall during 1983 by around 20 per cent.

Wool: Demand is expected to improve slightly, helped by a modest economic revival internationally, increased Soviet purchasers, low trade stocks, a sharp drop in deliveries by growers, a relatively stable exchange rate and a modest strengthening of synthetic fibre prices.

Sugar: The cane cut for crushing in 1982-83 is forecast at 25.2m tonnes, and the value of sugar exports at $A538m, down from $A1.07bn in 1980-81.

Mr Nixon says: "A key element in drought survival and subsequent recovery is credit. The current downward trend in interest rates will provide some relief to rural borrowers and I am satisfied that the banks are adopting a sympathetic and constructive approach."

The Australian farmer's lot is not a happy one but there is great willingness to fight the odds. One writer discussing outback problems said recently: "An old ram down the road died a week or two ago in a half-raised sort of posture that I'd like to think was defiance but was probably just exhaustion.

"Every day that I pass, a bit more of his flesh has gone but his head and his two curled horns are still reared up to the sky ready for battle."

UK blamed for Danish pigmeat price cut

By Hilary Barnes in Copenhagen

DANISH slaughterhouses have cut the producer price of pigmeat for the second time in a month. The price was reduced by Kr 0.60 to Kr 12.40 per kg (3.13p per lb). Yesterday's cut will mean a further reduction of the price on average by Kr 0.88, said Ess-Food, the bacon export association.

Ess-Food blamed conditions in the British bacon market for the latest price reduction—UK retail prices for Danish bacon have already been reduced. Weak demand coupled with a high level of deliveries to the bacon curers by British farmers have knocked the bottom out of the market, it said.

Danish Agriculture Minister Niels Anker Kofoed says half Denmark's pig farmers are operating at a loss. He predicts a 10 per cent decline in pig production this year.

● A BRAZILIAN trade delegation is interested in setting up industrial alcohol plants in Pakistan, using sugar cane on a joint venture basis.

● TORRENTIAL rains in Northern Peru have caused crop damage estimated at $10.4m (£6.84m).

● IRANIAN wheat production has been at record levels in the past two years, according to Agriculture Minister Mohammad Salamati.

● THE WORLD'S largest sulphuric acid plant has gone into operation at Al Kaim, Iraq. The plant, built for Iraq's state organisation for minerals, has the capacity to produce 1.8m tonnes a year of sulphuric acid.

● THE EUROPEAN Court is expected to rule today that Britain's ban on imports of Continental long-life milk is illegal. The dairy trade has warned that the door-step delivery service could become uneconomic

Tough line urged on Commission proposals

By Richard Mooney

AS COMMON Market farm ministers resumed their bargaining on community farm price rises for the coming season in Brussels yesterday, Britain's Food Manufacturers' Federation called on the UK Government to stand firm against the "talking up" of price rise proposals by the EEC Commission.

At a press conference in London, the FMF said these proposals—averaging 4.4 per cent—were in themselves disappointing. But it recognised that there was no realistic possibility of Mr Peter Walker, Britain's Farm Minister, getting the figure reduced.

Copa, the EEC farmers' union, has called for increases averaging at least 7 per cent in 1983-84 and some Brussels officials have forecast that the final settlement will average around 6 per cent. Although UK farmers' incomes are believed to have risen more than 40 per cent in the past 12 months—following sharp cuts in recent years—the National Farmers' Union of England and Wales supports the Copa claim, arguing that farmers need at least a 7 per cent rise to keep pace with rising costs.

The commission proposals would raise UK food prices by about 1 per cent, adding 1½p to the price of a kilo of sugar, 7p to a kilo of butter and ½p to a large loaf.

The FMF said yesterday that the proposals failed to recognise market realities and the urgent need for price restraint, especially for products in surplus.

They should have aimed to curb production, stimulate consumption and conserve budget resources, it said.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 7 1983	+ or —	Month ago
Metals			
Aluminium	$810/815	....	$819/818
Free Mkt	$1150/1170	....	$1050/1080
Copper			
Cash h grade	£1049.5	—10	£995.5
3 mths	£1081.75	—9.75	£1022.25
Cash Cathode	£1026	—9	£955.75
3 months	£1055.25	—9.25	£984.5
Gold troy oz	$493	—6	$474.5
Lead Cash	£293.5	—2	£308.25
3 months	£304.75	—2.375	£319.75
Nickel	£4584	....	£4133.5
Free mkt	180 210c	....	170/200c
Palladium	$130.25	+0.5	‡
Platinum	£302.75	—6.6	£284.75
Quicksilver†	$335/345	....	$325/335
Silver troy oz	899.75p	—33.65	750.55p
3 mths	923.75p	—34.15	759.25p
Tin cash	£8442.5	+11.5	£7437.5
3 month	£8436.5	+11.5	£7448.5
Tungsten	$78.78	....	$92.25
Wolfram 22.04 lb	$78/82	—1	$78/82
Zinc Cash	£441.25	—1.5	£447.5
3 mths	£456.375	—1.375	£460.75
Producers	$750-800	....	$800

	Feb. 7 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$455z	+5	$445
Groundnut	$460z	....	$455
Linseed Crude	£315	—15	£310
Palm Malayan	$365w	....	$370
Seeds			
Copra Philip	$305z	....	$300
Soyabean (U.S.)	$242.5	—1	$237.75
Grains			
Barley Fut. May	£119.00	—0.40	£114.60
Maize	£147.00	....	£144.50
Wheat Fut. May	£130.65	—0.05	£120.80
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1404	+1	£1181
Fut. May	£1354.5	—12	£1160.5
Coffee Ft. May	£1647	+40.5	£1558
Cotton A. Index	73.70c	+0.35	70.75c
Gas Oil Mar	$244.5	+7.25	$272.75
Rubber (kilo)	62p	+2.25	51.75p
Sugar (Raw)	£109z	—2	£97
Wooltp's 64s	400p kilo	....	374p kilo

‡ Unquoted. w March. z Feb-March. † Per 16-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	29.80-29.90	+0.10
Iranian Light	27.00-28.50	—0.05
Arabian Heavy	28.00-28.10	+0.05
North Sea (Forties)	29.10-29.40	+0.35
North Sea (Brent)	29.10	+0.25
African Bonny Li'ht	29.80-30.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	268-271	—2.5
Gas oil	239-248	+2.5
Heavy fuel oil	148-152	+0.5

GAS OIL FUTURES

Prices opened $2.50 higher and dipped briefly to the lows before moving upwards throughout the day. A feeling that the market had fallen too far after the recent Opec meeting was the main impetus, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Feb	248.50	+4.25	248.50-46.00
March	244.50	+7.25	244.75-38.75
April	239.00	+7.50	238.00-33.00
May	238.00	+7.00	238.00-32.00
June	238.50	+8.00	238.50-31.50
July	238.00	+8.50	238.00
Aug	240.00	+5.75	—
Sept	239.00	+2.00	238.00
Oct	241.00	+4.00	240.25

Turnover: 2,138 (1,541) lots of 100 tonnes.

GOLD MARKETS

Gold fell $6 an ounce from Friday's close in the London bullion market yesterday to $492½-493½. The metal opened at $489½-490½ and touched a low of $487½-488½ before recovering in the afternoon, helped by a weaker dollar, to finish at its best level of the day.

In Paris the 12½ kilo bar was fixed at FFr 112,000 per kilo ($496.05 per ounce) in the afternoon compared with FFr 111,500 ($493.48) in the morning and FFr 114,800 ($507.43) on Friday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $490.0 from $499.0.

In Frankfurt gold closed at $491-492 from $498-499 and in Zurich it finished at $490-493 compared with $497-500.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
February	493.00-5.00	—5.000	490.00-88.0
March	496.50-7.50	—5.500	—
April	501.20-1.40	—6.100	501.50-94.5
May	504.50-5.00	—5.400	500.50
June	510.20-0.50	—5.100	510.00-05.0
July	513.80-3.90	—4.550	—
August	517.40-7.50	—4.800	—

Turnover: 788 (695) lots of 100 troy ounces.

GOLD MARKETS

	Feb. 7		Feb. 4	
Gold Bullion (fine ounce)				
Close	$492½-493½	(£322¼-323)	$498½-499½	(£328¼-329)
Opening	$489¾-490¼	(£322½-323¼)	$497½-498½	(£327-327¾)
Morning fixing	$489	(£321.711)	$501	(£329.172)
Afternoon fixing	$490.25	(£321.793)	$498.50	(£328.155)

Gold Coins Feb. 7

Krugrnd	$509½-510½	(£332½-333)	King Sov	$117½-119	(£77-78)
½ Krg	$262½-263½	(£171¼-171¾)	Victoria Sov	$117½-119	(£77-78)
¼ Krg	$134-135	(£87½-88)	French 20s	$103¼-105	(£67¼-68½)
1/10 Krug	$54½-55½	(£35½-36¼)	50 pesos Mex	$588½-590½	(£383¾-385½)
Mapleleaf	$508-509½	(£331½-332½)	100 Cor. Aust	$475-479	(£309¾-312½)
New Sov	$116½-117¼	(£75-76½)	$20 Eagles	$590-600	(£384¾-391¼)
½ New Sov	$69-7	(£45-46¼)			

EUROPEAN MARKETS

PARIS, February 7.

Cocoa—(FFr per 100 kilos): March 1426/1430, May 1481/1485, July 1490 bid, Sept 1530/1545, Dec 1540/1570, March 1545 bid, May 1545 bid.

Sugar—(FFr per tonne): March 1482/1483, May 1538/1540, July 1580/1595, Aug 1635/1638, Oct 1670/1680, Nov 1670/1680, Dec 1728/1735, March 1820/1822.

ROTTERDAM, February 7.

Wheat—(US$ per tonne): U.S. No. Two Red Winter Feb 158, March 159, April 161, May 162. U.S. No. Three Amber Durum April/May 170, June 171. U.S No. Two Northern Spring 14 per cent Feb. 187, March 187.50, April/May 170, June 171. Canadian Western Red Spring April/May 190.

Maize—(US$ per tonne): U.S. No Three Yellow spot 129, Feb 130, March 128, April/June 129.50, July/Sept 132.50, Oct/Dec 130.75, Jan/March 136.50 sellers.

Soyabeans—(US$ per tonne): U.S. Two Yellow Gulfports Feb 236.50, March 238, April 242, May 244, June 246 75, July 249.50, Aug 251 50, Sept 251.50, Oct 249.25, Nov 249.25, Dec 253.50, Jan 258.25 sellers.

Soyameal—(US$ per tonne): 44 per cent unloading 206, March 210.50 traded; afloat 209, Feb 210, March 211, April 215, April/Sept 218, Nov/March 232 sellers. Pellets Brazil Feb/March 225, April/Sept 226 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL prices generally opened steady on the London Metal Exchange, lost ground towards the end of the morning and then rallied in the afternoon. Copper touched a low of £1,073 before closing at £1,079. Lead was finally £303. Zinc £455. Aluminium £785 and Nickel £2,695. Tin slipped to £8,421 in the morning in the absence of the support operation, but steadied to close at £8,436.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1040.5-1.5	—24.7	1049-50	—10
3 months	1073-.5	—24.5	1081.5-2	—9.75
Settlem't	1041.5	—24.5	—	......
Cathodes				
Cash	1018-9	—22.7	1025-7	—9
3 months	1048.5-9	—22.5	1055-.5	—9.25
Settlem't	1019	—22.5	—	......
U.S. Prod.	—	—	*74-74	......

Amalgamated Metal Trading reported that in the morning higher-grade three months copper traded at £1,080.50, 80, 79.50, 79, 78, 78.50, 79, 77, 76, 75.50, 75, 74, 73.50, 73. Cathodes Cash £1,017. Three months £1,047.50, 48, 48.50. Kerb higher grade three months £1,076, 75, 76. Afternoon: Higher grade three months £1,082, 81, 80.50, 81, 81.50, 81, 80.50, 81, 81.50, 82. Kerb higher grade three months £1,083, 82, 83, 82.50, 83, 83.50, 83, 82, 83, 80, 79. Turnover: 22,850 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8425-8	—21	8440-5	+11.5
3 months	8421-2	—16	8435-8	+11.5
Settlem't	8428	—22	—	......
Standard				
Cash	8425-8	—21	8440-5	+11.5
3 months	8421-2	—16	8435-8	+11.5
Settlem't	8428	—22	—	......
Straits E.	‡$29.15	......	—	......
New York				

Tin—Morning: Standard cash £8,430, 25. Three months £8,430, 25, 26, 25. Kerb standard three months £8,425, 30. Afternoon: Standard three months £8,435. Kerb standard three months £8,436, 32, 30, 35. Turnover: 1,585 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	292.5-3	—5	293-4	—2
3 months	303.5-4	—3.5	304.5-5	—2.57
Settlem't	293	—3	—	......
U.S. Spot	—	......	*21-28	......

Lead—Morning: Cash £290.50, 91. Three months £306, 05.50, 04, 03, 01, 02, 02.50, 03. Kerb three months £303, 04, 03 50. Afternoon: Three months £306, 05, 04.50. Kerb three months £305, 05.50, 05, 04. Turnover: 9,450 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	404-5	—41	441-.5	—1.5
3 months	455.5-6	—4	456-25-.5	—1.37
Settlem't	405	—41	—	......
Primw'ts	—	......	*38.75-40.7	......

Zinc—Morning: Three months £457, 56.50, 56, 54, 55, 55.50, 56. Kerb three months £455. Afternoon: Three months £456, 55.50, 56.50. Kerb three months £46, 56.50, 56, 55. Turnover: 8,875 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	748-9	—10.5	760.5-1.5	+2.5
3 months	772-.5	—11	784.5-5	+2

Aluminium—Morning: Three months £773, 75, 74 50, 74, 74.50, 72, 70, 69, 70, 70.50, 71, 72, 72.50. Kerb three months £773, 74, 73 50. Afternoon: Three months £777, 78, 79, 80, 80.50, 80, 82, 83, 84, 85, 84 50, 85. Kerb three months £785, 86, 86, 85.50, 85. Turnover: 12,875 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2590-5	—56.5	2615-20	—27.5
3 months	2660-5	—60	2685-95	—25

* Cents per pound. ‡ MS per kilo. † On previous unofficial close.

Nickel—Morning: Three months £2,670, 65, 60. Kerb three months £2,660, 65. Afternoon: three months £2,680, 85, 90, 92, 90. Kerb three months £2,695, 2,700, 2,695. Turnover: 888 tonnes.

SILVER

LME—Turnover: 167 (102) lots of 10,000 oz. Morning: three months 925.0, 24.0, 24, 24.0, 22.0, 23.0, 22.0, 24.0, 25 0, 24 0, 23.5, 24 0, 26.0, 25.0, 24.5, 26.0. Kerb: three months 925.0. Afternoon: three months 931.0, 30.0, 41.0, 41.5, 41.0, 3.0. Kerb: three months 940.0, 39.5, 40 0, 39.0, 38.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	899.75p	—33.6	916p	—14
3 months	923.75p	—34.1	939.75p	—15.4
6 months	946.85p	—35.0	—	......
12 months	1000.75p	—36.5	—	......

Silver was fixed 33.65p an ounce lower for spot delivery in the London bullion market yesterday at 899.75p. U.S. equivalents of the fixing levels were: spot $13.69, down 46.2c; three-month $13.996, down 46.5c; six-month $14.324, down 46.1c; and 12-month $15 091, down 47.1c. The metal opened at 906-908p ($13.74-$13.78) and closed at 911-913p ($13.92-$13.96).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1353-54	+1.0	1365-51
May	1354-65	—12.0	1385-52
July	1363-64	—20.0	1400-363
Sept	1367-68	—25.0	1407-364
Dec	1367-68	—26.0	1405-366
March	1378-80	—24.5	1413-378
May	1388-95	—19.0	1423

Sales: 7,876 (11,934) lots of 10 tonnes.

ICCO—Daily price for Feb 7: 90.78 (90.38). Indicator price for Feb 8: 87.80 (86.73).

COFFEE

Trade buying in light volume prompted a steadier than anticipated opening, reports Drexel Burnham Lambert. Gains were extended during a more active afternoon with commission house interest creating fresh contract highs in most positions.

COFFEE	Yest'day's Close	+ or —	Business Done
March	1703-04	+51.0	1703-78
May	1646-48	+40.5	1656-20
July	1571-73	+38.0	1581-42
Sept	1508-10	+41.5	1516-80
Nov	1459-60	+41.0	1465-21
January	1405-19	+30.5	1422-87
March	1370-78	+26.5	1378-65

Sales: 4,182 (3,344) lots of 5 tonnes.

ICO Indicator price for Feb 4 (U.S. cents per pound): Comp daily 1979 123.92 (123.38); 15-day average 125.21 (125.41).

GRAINS

Old crop wheat opened 50p higher, old crop barley 20p higher. Aggressive bidding from a shipper put wheat 110p higher at one point but selling emerged to pare the gains. New crops tended lower on the day, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar	128.75	—0.10	117.40	—0.45
May	130.85	—0.05	119.00	—0.40
July	132.75	—0.15	—	—
Sep	115.70	—0.05	109.50	—0.15
Nov	118.50	—0.05	112.70	—0.15
Jan	121.95	—0.05	115.80	—0.50

Business done—Wheat: Mar 129.85-8.70, May 132.00-0.70, July 133.95-2.70, Sept 115.85 only, Nov 118.70-8.50, Jan untraded. Sales: 250 lots of 100 tonnes. Barley: Mar 118 50-7 40, May 120.25-19.00, Sept 109.75-9.50, Nov 113.00-2.80, Jan untraded. Sales: 121 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: N. East 125.90. Feed barley: E. Mids 116 00. The UK monetary coefficient for the week beginning Monday February 14 (based on HGCA calculations using four days exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent. Feb 135, March 135.50 April/May 124.25 transhipment East Coast sellers. English Feed fob, Feb 122 East Coast. Maize: French, Feb 147 transhipment East Coast. S. African White/Yellow, March/April 97 50. Barley: English feed fob, Feb 122 50, April/June 122.50 sellers, March 122.50 paid East Coast. Rest unquoted.

POTATOES

The market eased in early dealings, but stayed fairly static for much of the day as fresh sellers encountered short-covering. A further small decline occurred during afternoon before profit-taking lifted values just off the lows, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb	67.00	69.50	69.50-68.50
April	79.30	81.00	80.50-79.10
May	85.50	86.90	86.50-85.80
Nov	67.50	67.80	—
Feb	76.80	76.80	—

Turnover: 437 (422) lots of 40 tonnes.

RUBBER

The London physical market opened slightly higher, and with good terminal interest closed steady. Lewis and Peat reported a February fob price for No 1 RSS in Kuala Lumpur of 200.0 (198.5) cents a kg and SMR 20 181.0 (178.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Mar	623-628	607-608	—
Apr	629-633	610-612	625
Apl-Jne	640-642	618-620	640-635
Jly-Sept	663-664	644-645	664-652
Oct-Dec	682-683	664-665	683-672
Jan-Mch	706-707	686-687	706-698
Apl-Jne	728-729	709-710	721-709
Jly-Sept	752-753	734-735	750-747
Oct-Dec	776-778	757-759	—

Sales: 404 (491) lots of 15 tonnes, 5 (2) lots of 5 tonnes.

Physical closing prices (buyers) were spot 62.00p (59.75p); March 63.00p (61.25); April 64.25p (62.25p).

SOYABEAN MEAL

The market opened £1 weaker on stronger sterling, reports T. G. Roddick. Prices came under pressure on mixed selling.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Feb	146.00-47.5	—0.75	148.00-47.00
April	145.40-45.6	—1.85	146.20-45.50
June	146.80-47.8	—1.75	147.50-47.00
August	148.00-48.5	—1.75	149.50-48.50
October	150.50-50.9	—1.65	151.70-50.90
Dec	156.00-56.5	—1.50	158.00-56.50
Feb	158.00-60.0	—1.00	—

Sales: 527 (83) lots of 100 tonnes.

SOYABEAN OIL—The market opened $1-2 higher in featureless conditions and remained dull. Close (U.S.$ per tonne): Feb 400.00, 405.00; April 412.00, 415.00; June 427.00, 430.00; Aug 437.00, 439.50; Oct 443.00, 450.00; Dec 450.00, 460.00; Feb 455.00, 470.00 (all untraded). Sales: 0 (31) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £109.00 (£107.00) a tonne cif Feb-March shipment. White sugar £137.00 (£136 00).

The market opened some £2.00 above pre-weekend levels following buy-at-best orders. Although prices then drifted there was always a steady undertone to the proceedings and all the losses were recovered later, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	113.50-13.70	110.80-11.00	114.00-11.00
May	116.65-16.75	114.65-14.45	117.00-14.45
Aug	124.80-24.90	122.10-22.20	125.00-22.00
Oct	130.70-31.00	128.50-28.80	131.00-28.50
Dec	136.75-38.00	135.00-36.00	—
March	146.00-49.00	142.00-45.50	148.00
May	149.00-54.00	146.75-50.50	—

Sales: 2,902 (2,046) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £214.50 (£212.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Carribbean ports. Prices for Feb 4: Daily price 6.23 (same): 15-day delivery 6.13 (6.10).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Mar 541.0, 542.0, 543.0-542.0; May 561.0, 561.5, 562.0-561.5; July 568.0, 570.0, 571.0-569 0; Oct 556 0, 557 0, 556.5-556.0; Dec 560 0, 561.8, 560.1-560.0; Mar 568.0, 569.0, 568.0; May 577.0, 578.0, 577.0; July 585.0, 590.0, untraded. Sales: 52.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Mar 350, 358, nil; May 370, 374, 370; Aug 391, 393, 392-390; Oct 402, 404, 403-401; Dec 408, 411, 409; Jan 412, 413, 412-410; Mar 417, 420, nil; May 423, 429, nil; Aug 436, 441, nil. Sales: 22.

INDICES

FINANCIAL TIMES

Feb. 4	Feb. 3	M'th ago	Ya'r ago
256.26	255.42	242.99	251.25

(Base: July 1 1952=100)

REUTERS

Feb. 5	Feb. 4	M'th ago	Y'ar ago
1675.4	1674.5	1694.9	1624.6

(Base: September 18 1931=100)

MOODY'S

Feb. 4	Feb. 3	M'th ago	Y'ar ago
1071.2	1081.3	1020.0	1011.3

(December 31 1931=100)

DOW JONES

Dow Jones	Feb. 4	Feb. 3	Month ago	Year ago
Spot	146.56	147.76	136.29	129.75
Fut'rs	150.36	150.09	143.66	137.80

(Base: December 31 1974=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 312 tonnes. Useful business was again recorded after the extensive orders booked last week. Interest was evident in a variety of styles, notably those grown in the Middle East, Africa and America. Spinners showed more attention to individual qualities.

*

JUTE—C and f Dundee BWC £269, BWD £241, BTB £311, BTC £269, BTD £241; c and f Antwerp BWC £266, BWD £238, BTC £266, BTD £2.38; c and f Dundee Feb 40 in 10 oz £10.74, 40 in 7.5 oz £9.36; B Twills £37.36.

*

LONDON TEA AUCTION—40,263 packages were on offer at this week's auction, including 5,890 packages in the offshore section. There was a fair general demand. Assams were generally 2p to sometimes 3p easier. Sylhets were fully firm except plainer sorts and brokens which moved lower. Bright Africans were firm but others were irregular and sometimes shed 1-2p. Mozambiques tended dearer. Ceylons sold well but prices were irregular and plainer mediums were sometimes easier. Offshore teas met a fair demand but prices were again irregular and barely steady on last rates. Quotations: quality 154p a kg (154p), medium 137p a kg (140p), low medium 122p a kg (123p).

MEAT/FISH

GRIMSBY FISH—Supply good, demand Good. Prices at ship's side (unprocessed) per stone: Shelf cod £6.00-6.00, codlings £3.30-4.40; large haddock £5.40-6.00, small £3.80-4.20; large plaice £5.30-5 50, medium £5 00-5.70, best small £4.50-5.70; large lemon sole £13.00, medium £7.00-9.00; rockfish £3.20-4.40; saithe £3.60-3.80.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.97p per kg lw (+1.01). GB—Sheep 185.82p per kg est dcw (+18.45). GB—Pigs 84.05p per kg lw (+0.80).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 79.8 to 84.3. Veal: Dutch hinds and ends 135.0 to 138.5. Lamb: English small 81.0 to 87.0, medium 79.0 to 83.0, heavy 70.0 to 75.0; Scottish heavy 70.0 to 74.5; Imported: New Zealand PL 50.0 to 50.5, PM 49.0, YL 48. Pork: English, under 100lb 36.0 to 50.0, 100-120lb 43.5 to 48.5, 120-160lb 37.0 to 46.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Satsumas—Spania: 10-kg 2.80-3.60. Minneolas—Jaffa: 4.80-6.30 according to size. Oranges—Spania: Navels 3.80-5.60; Jaffa: Shamouti 40 5.10, 50 5 40, 60 5.75, 75 5.85, 88 5 40, 105 5.10, 123 4 90, 144 4.80, 163 4.60, Navels 88 5.95, 105 5.60, 123 5.40, 144 5.20, 168 5.00; Moroccan: Navels 3 40-5 20. Sevilles—Spanish: 40-lb 4.00-4 50. Lemons—Turkish: 80/150 3.50-4.00; Cyprus: 8-kg 2.80-4.00; Spania: tray 5-kg 25/60 1.80-2.40. Grapefruit—Cyprus: 27/56 2 60-4.00; Jaffa: 40 5.40, 48 5.50, 56 4.70, 64 4.00, 75 3.80, 88 3.60, Ruby 3.50-5.50; U.S.: Ruby 6.50-8.00 according to size. Clementines—Moroccan: 5.00-5.60. Apples—French: Golden Delicious 18-kg 5.00-6.80, Starkcrimson 18-kg 4.00-5.50, Granny Smith 18-kg 5.50-7.80; U.S.: Red Delicious 9.50-12.50; Canadian: 10 50-12.50; Polish: Spartan 13-kg, per pound 0.12-0.14. Pears—Cape: Williams Bon Chretien 33-lb 8 50-9.00; Dutch: Comice 14-lb 3.85-4.20, Conference 12-kg 5 80; Italian: Passacrassana 12/14-lb, per pound 0.14-0.18. Peaches—Cape: 3.00-4.00. Nectarines—Chilean: single layer trays 9.00; Cape: 5.00-5.50. Sharon Fruit—Israeli: 3.00-3.20.

English Produce: Apples—Per pound, Bramley 0.06-0.15, Cox 0.12-0.24, Ida Red 0.08-0.12, Russets 0.14-0.18, Spartan 0.08-0.14, Crispin 0 06-0.12. Pears—Per pound, Conference 0.10-0 20, Comice 0.10-0.24. Potatoes—Per bag 2.20-3 00 Mushrooms—Per pound, open 0.45-0.55, closed 0.40-0.80. Lettuce—Per tray 1.60-2.50. Onions—Per 55-lb 1 80-2 80. Pickling Onions—Per 55-lb 3.00-3.50. Cabbages—Per 25-lb 1.00-1.50; per 28/30-lb white/red 1 50-2.40. Greens—28-lb, Kent 1.50-2.00; Cornish approx 35-lb 3.50-4 00. Brussels Tops—Per 28-lb 1 60-2.00. Sprouts—Per 20-lb 0 80-1.60. Broccoli—10-lb, per pound 0.50. Carrots—Per 26/28-lb 0 80-1.60. Turnips—Per 28-lb 1 40-1 80. Swedes—Per 28-lb 0 80-1.20. Parsnips—Per 28-lb 1.20-1.60. Leeks—Per 10-lb 1.40-1 60. Cauliflowers—Kent, 12s 2 00-2.80. Rhubarb—Per pound, Yorkshire 0.28-0.30.

AMERICAN MARKETS

NEW YORK, February 7

Gold and silver traded around unchanged as the failure of gold to penetrate the $500 level attracted technical selling, early pressure was attributed to selling prompted by reports that the IMF would sell gold to finance the recovery of less developed countries. Copper advanced early on commission house buying but could not hold its gains as trade hedging depressed values for minor net losses. Cocoa prices finished under moderate pressure initiated by origin selling and later intensified by commercial selling in anticipation of stepped up marketing from West Africa once shipping again becomes available following the forced repatriations from Nigeria to Ghana. Sugar prces were steady to firm with good gains as arbitrage buying provided the principal support, continued tight delivery situation in London influenced the New York futures attracting buying in the nearby months. Cotton prices found moderate commission house support on expectations of reduced production and some early indications of an improving mill demand. Heating oil prices rallied sharply on better spot demand associated with the severe cold wave currently gripping Canada and Northern U.S. Late profit-taking and stop-loss selling put soyabeans and all grains under pressure. Maize became especially vulnerable on reports of increased cash marketings at the marm level. Commercial selling developed on the belief that tax selling of cash grains by farmers would increase, reported Heinold.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1850	1919	1841	1902
May	1885	1948	1875	1922
July	1895	1959	1890	1931
Sept	1900	1973	1895	1950
Dec	1925	1998	1925	1975
March	1980	2015	1980	1995

COFFEE "C" 37,000 lbs, cents/lbs

	Close	High	Low	Prev
March	126.56	126.90	124.00	124.62
May	122.95	123.00	121.00	121.01
July	121.40	121.50	119.50	119.38
Sept	118.95	119.10	117.30	117.40
Dec	116.01	116.50	114.30	114.25
March	112.88	113.00	111.75	111.50
May	110.50	—	—	109.50
July	108.50	108.50	108.50	107.00

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
March	65.63	65.89	65.47	65.55
May	67.00	67.33	66.91	67.02
July	68.10	68.43	68.05	68.10
Oct	66.95	67.40	67.10	67.05
Dec	67.35	67.62	67.27	67.36
March	68.70	68.90	68.70	68.75
May	69.55	69.60	69.55	69.60
July	70.10	—	—	70.07

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	72.25	—	—	73.65
March	73.90	74.45	73.30	74.30
April	74.65	74.90	74.70	75.00
May	75.40	75 95	75.00	75.70
July	76.75	77.35	76.35	77.05
Sept	77.95	78.45	77.55	78.25
Dec	79.70	80.20	79.50	80.00
Jan	80.30	80.60	80.20	80.60
March	81.45	82.00	81.50	81.80
May	82.55	83.00	82.50	82.90

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	494.2	495.7	490.0	493.9
March	497.4	499.0	491.5	497.3
April	501.0	509.6	496.0	501.0
June	508.8	511.5	503.5	508.8
Aug	517.1	519.0	512.0	517.2
Oct	525.8	526.0	522.0	525.8
Dec	534.4	536.0	530.0	534.4
Feb	543.1	546.0	539.0	543.1
April	552.1	551.0	547.0	552.1
June	561.3	560.0	558.0	561.3
Aug	570.6	569 0	568.5	570.6
Oct	580.0	582.5	579.0	580.0
Dec	589.5	—	—	589.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
March	76.87	77.45	76.25	75.65
April	74.89	75.39	74.15	73.50
May	74.34	74.85	73.40	72.89
June	74.53	75.10	73.80	73.30
July	74.92	75.50	74.25	73.50
Aug	75.40	76.00	74.95	74.00
Sep	77.00	77.70	77.00	76.05
Oct	78.50	78.50	78.25	77.00
Nov	79.25	79.25	79.10	78.50
Dec	81.00	81.15	79.60	79.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Feb	465.9	469.0	469.0	460.7
March	467.9	469.0	458.0	462.7
April	471.4	474.5	462.0	466.2
July	475.4	478.0	466.0	470.2
Oct	481.9	484.3	471.5	476.7
Jan	488.9	492.0	481.0	483.7
April	496.9	504.5	504.0	490.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Feb	1392.0	1404.0	1394.0	1395.0
March	14.00	1417.0	1378.0	1403.0
April	1411.8	1425.0	1390.0	1414.8
May	1423.3	1440.0	1400.0	1426.3
July	1446.6	1464.0	1425.0	1449.8
Sept	1468.9	1486.0	1450.0	1473.3
Dec	1505.0	1525.0	1482.0	1508.9
Jan	1517.4	1520.0	1511.0	1521.3
March	1541.0	1560.0	1520.0	1545.3
May	1564.4	1564.0	1650.0	1568.8

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
March	6.65	6.72	6.54	6.48
May	6.83	6.86	6.73	6.66
July	7.19	7.21	7.09	6.98
Sept	7.51	7.63	7.48	7.34
Oct	7.76	7.78	7.69	7.63
March	8.74	8.78	8.70	8.62
May	9.03	9.05	8.95	8.86

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lbs

	Close	High	Low	Prev
Feb	63.15	63.65	63.12	63.47
April	62.57	63.17	62.52	62.85
June	63.67	63.90	63.55	63.70
Aug	62.55	62.72	62.32	62.52
Oct	60.70	60.97	60.65	60.90
Dec	61.80	62.15	61.70	62.17

LIVE HOGS 30,000 lbs, cents/lbs

	Close	High	Low	Prev
Feb	58.97	59.35	58.65	58.90
April	54.70	55.10	54.32	54.50
June	55.90	56.40	55.76	55.90
July	55.60	56.10	55.55	55.45
Aug	53.75	54.25	53.75	53.92
Oct	49.80	49.90	49.50	49.80
Dec	49.55	47.72	49.45	49.65
Feb	48.60	49.10	48.60	48.90
April	47.30	47.47	47.30	47.35

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
March	265.4	268.2	264.6	268.2
May	273.6	275.6	273.4	276.2
July	280.4	282.8	280.2	282.4
Sept	281.0	282.6	280.6	282.8
Dec	284.0	284.6	283.2	285.2
March	293.6	294.6	293.4	295.2
May	301.4	302.4	301.4	303.6

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	80.30	81.60	80.20	80.80
March	79.87	81.20	79.80	80.40
May	80.02	81.30	80.00	80.52
July	79.37	80.47	79.25	80.22
Aug	77.22	78.15	77.00	77.77
Feb	67.10	68.30	67.10	67.85
March	66.02	67.00	66.02	66.50

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
March	590.0	595.4	589.0	593.6
May	604.0	610.2	603.0	608.6
July	617.0	623.4	617.0	622.0
Aug	622.0	627.0	622.0	625.0
Sep	624.4	628.0	623.4	626.0
Nov	631.4	637.0	631.0	634.6
Jan	643.0	648.4	643.0	647.2
March	656.4	661.0	656.4	660.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
March	177.7	178.8	177.5	178.6
May	180.8	182.1	180.8	181.8
July	184.4	185.7	184.4	185.3
Aug	185.9	186.6	185.5	186.4
Sept	186.6	187.3	186.6	187.2
Oct	187.7	188.4	187.7	188.0
Dec	191.5	192.2	191.5	191.8
Jan	193.0	193.5	193.0	194.2
March	195.5	196.0	195.5	196.5

SOYABEAN OIL 60,000 lbs, cents/lbs

	Close	High	Low	Prev
March	17.19	17.42	17.18	17.37
May	17.59	17.80	17.57	17.77
July	17.95	18.13	17.95	18.16
Aug	18.15	18.20	18.15	18.31
Sep	18.31	18.45	18.31	18.43
Oct	18.50	18.55	18.50	18.56
Dec	18.65	18.92	18.65	18.80
Jan	18.90	19.12	19.00	19.00
March	19.33	19.33	19.33	19.37

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
March	341.2	345.0	341.0	344.4
May	349.2	352.6	349.2	352.4
July	355.2	357.6	355.0	357.4
Sep	364.4	367.4	364.4	367.0
Dec	381.4	384.0	381.0	384.0
March	393.2	397.2	393.2	396.0

SPOT PRICES—Chicago loose lard 16.00 (same) cents per pound. New York tin 594.0-98 0 (592.0-96.0) cents per pound.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¼	95¼	Treasury 12pc 1983‡‡	100½	+½	11.99	10.95
100⅝	92⅞	Treasury 9¼pc '83	99⅝	+⅛	9.29	10.33
104⅝	96⅞	Exch. 13½pc '83	101⅞	.....	13.25	10.85
101¼	91⅞	Exch 10pc 1983	99⅞	.....	10.06	10.64
98¼	87⅜	Funding 5½pc '82-84‡‡	96¼	.....	5.69	9.19
103¾	91⅞	Exch. 11¼pc 1984	100¼xd	+⅛	11.21	11.08
107¼	96¾	Exchequer 14pc. 1984	103⅛	+⅛	13.58	11.29
94½	81⅛	Exch. 3pc 1984	93⅜	+⅛	3.21	8.24
105¼	91½	Treasury 12pc 1984	101⅛	.....	11.87	11.23
112	96¾	Treasury 15pc 1985	106⅜xd	−⅛	14.11	11.46
112¼	89½	Exch. 12pc Cnv '85	102½	.....	11.71	10.65
91¼	73½	Treasury 3pc 1985	89⅛	−¼	3.37	8.33
105½	87½	Treasury 11½pc 1985	100¾	.....	11.41	11.15
102	95½	Treas 8¼pcCnv '85	97⅞	.....	9.01	10.02
107⅝	88⅝	Exch. 12¼pc 1985	101½	−⅛	12.03	11.44
106⅝	86⅛	Exch. 11¾pc '86	100⅞xd	.....	11.65	11.41
89½	69	Treasury 3pc 1986	86¼	−⅛	3.48	7.84
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
250	75	Falcon Rh.50c	250	...	Q25c	10.3	7.0
33	18	Wankie Col. Z$1	19	−1	†Q3c	1.2	10.7
28	12	Zam Cpr.SBD0.24	27	+1	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	23	−1	—	—	—
28	6	♥Argosy Gold NL 25c	11	−1	♦—	—	—
63	46	♥Black Hill Mins.	52	+2	—	—	—
151	54	♥Bond Corp.	60	−2	gQ10c	2.3	11.3
154	58	♥Bougainvlle 1 Kina	136	−5	‡Q6.71c	1.2	‡
273	147	♥CRA 50c	238	−10	‡Q5c	—	‡
154	10	♥Carr Boyd 20c	120	−6	—	—	—
56	21½	♥Central Pacific	27	−1	—	—	—
380	152	♥Crusader Oil	260		—	—	—
26	7	♥Cultus Pac NL	9	−½	—	—	—
27	7	♥Eagle Grp 10c	11	..	—	—	—
23	8½	♥Endeavour 20c	11½	..	—	—	—
770	120	♥GM Kalgoorlie 25c	675	−25	hQ10c	♦	0.9
244	134	Hampton Areas 10p	222	−6	†3.0	2.8	1.9
32	10	♥Haoma NW	23	..	—	—	—
94	28	♥Hill Minerals N.L.	88	..	—	—	—
22	9	♥Intnl Mining	16	..	—	—	—
36	2	♥Kalbara Min 20c	27	+2	—	—	—
15½	5	♥Keywest Expl	15	..	—	—	—
130	30	♥Kitchener NL 25c	100	−4	—	—	—
190	92	♥Meekatharra 25c	160	−2	—	—	—
44	15	♥Metals Ex 50c	33		—	—	—
52	15	♥Metramar Min 20c	32	−4	—	—	—
50	15	♥Mid East Mins A$1	29	−1	—	—	—
279	143	♥MIM Hldgs 50c	246	−3	Q5c	—	1.3
57	5	♥Mincorp 20c	9		—	—	—
8	2½	♥Minefields Expl 25c	7		—	—	—
34	14	♥Newmetal 20c	34		—	—	—
186	92	♥North B Hill 50c	158	−12	GQ6c	1.3	2.4
*84	10	Nth. Kalgurli	48½	−4½	—	—	—
123	67	♥Oakbridge 50c	80	..	Q7c	1.7	5.6
98	34	♥Pacific Copper	60		—	—	—
150	68	♥Pancont'l 25c	112	−4	—	—	—
448	211	♥Peko-Wallsend 50c	400	+2	Q1.5c	—	0.2
31½	6	♥Pelsart Res NL	7		—	—	—
273	112	♥Renison 50c	208	−2	Q5c	—	1.5
206	105	♥Do Defd	185	..	—	—	—
72	30	♥Selltrust A	62	..	♦—	—	—
27	8½	♥Southern Pacific	10		—	—	—
50	16	♥Swan Res 20c	42		—	—	—
24	2½	♥West Coast 25c	18½	...	—	—	—
50	6	♥Western Cont. 50c	29		—	—	—
278	150	Westn. Mining 50c	237	−7	Q2.5c	♦	0.7
93	11	♥Whim Creek 20c	68	−7	—	—	—
30	6	♥York Resources	12		—	—	—

Tins

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
255	135	Ayer Hitam $M1	210		Q95c	[illegible]	12.[illegible]
140	55	Geevor	110	−8	—	—	—
12	9½	Gold & Base 12½p	11		—	—	—
630	250	Gopeng Cons.	360xd	+10	Z20.0	1.2	7.9
670	330	Hongkong	525	.	21.0	♦	5.7
24	13	Jantar 12½p	19	.	1.5	2.8	11.3
130	42	Kamunting $M0.50	122	.	hQ27½c	0.8	6.4
575	350	Killinghall $M1	575	...	vhQ60c	♦	3.0
98	43	Malaysia Mng. 10c	78	−3	vQ17.1c	1.6	6.4
42	20	♥Pahang	32	..	B‡0.63	0.8	‡
450	280	Pengkalen 10p	340	..	1.0	—	0.4
330	190	Petaling $M1	275	...	vQ60c	♦	6.2
200	130	Sungei Besi $M1	200	.	‡vQ185c	0.6	‡
55	25	♥Supreme Corp M$1	45	....	vhQ3½c	♦	2.4
110	93	Tanjong 15p	95	.....	g3.5	♦	5.3
85	43	♥Tongkah H. Tin $M1	62	..	vQ5c	1.3	2.1
255	125	Tronoh $M1	245	.	‡vQ50c	2.3	5.8

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
90	20	♥Anglo-Dominion	77	−13	—	—	—
125	25	♥Anglo Utd. Dev.	80	−7	—	—	—
		For Burma see Southwest Res					
135	27	♥Colby Res Corp.	115	−20	—	—	—
440	170	Cons. Murch. 10c	420	+5	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	5	+½	—	—	—
155	55	♥Highwood Res	150	....	—	—	—
£40½	£25	Homestake Mining $1	£38½		Q40c	—	0.6
495	160	Northgate C$1	465	−20	—	—	—
552	344	R.T.Z.	525	−23	16.0	1.6	4.4
£122	£84	Do 9¼%Cv Un Ln 95-2000	£117	−5	Q9½%	23.9	f8.2
30	11	♥Sabina Inds C$1	28	−2	—	—	—
17½	12½	‡Southwest Res 10p	17½	+½	—	—	—
530	270	♥Tara Expln $1	485	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ¤ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other offical estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other offical estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xt ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −
Albany Inv 20p	48	
Bertrams	17xd	
Bdg'wtr Est. 50p	480	
Craig & Rose £1	£12½	..
Finlay Pkg. 5p	31	...
Graig Ship. £1	£22	
Higsons Brew.	105	.
Holt (Jos) 25p	880	..
I.O.M. Stm £1	100xd	.
Pearce (C. H.)	£12	..
Peel Hldgs.	168	

IRISH

Stock	Price	+ or −
Exch. 15pc 1983	£100	
Nat. 9¾% 84/89	£80¾	+¼
Fin. 13% 97/02	£92	+¼
Alliance Gas	115	
Arnott	188	
Carroll (P. J.)	82	.
Concrete Prods.	50	.
Heiton (Hldgs.)	16	
Ins. Corpn Ireland	350	−10
Irish Ropes	26	.
Jacob	80	
T.M.G.	90	..
Unidare	43	

OPTIONS

3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		House of Fraser	35	Utd. Drapery	7
Allied-Lyons	15	I.C.I.	29	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	15
B.S.R.	6	I.C.L.	8		
Babcock	10	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs.	26
Boots	22	"Lofs"	4	MEPC	17
Bowaters	19	London Brick	11	Peachey	14
Brit. Aerospace	20	Lucas Inds.	12	Samuel Props.	10
B.A.T.	50	"Mams"	12	Town & City	3
Brown (J.)	4	Mrks. & Spncr	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N.E.I.	9		
Courtaulds	8	Nat. West. Bank	38	Brit. Petroleum	26
Debenhams	8½	P & O Dfd.	14	Burmah Oil	12
Distillers	20	Plessey	50	Charterhall	5
Dunlop	5½	Racal Elect.	45	KCA	8
Eagle Star	30	R.H.M.	6	Premier	4
F.N.F.C.	4	Rank Org. Ord.	15	Shell	35
Gen. Accident	30	Reed Intnl	26	Tricentrol	22
Gen. Electric	24	Sears	9	Ultramar	42
Glaxo	90	T.I.	13		
Grand Met.	25	Tesco	8	**Mines**	
G.U.S. 'A'	50	Thorn EMI	38	Charter Cons.	20
Guardian	95	Trust Houses	13	Cons. Gold	40
G.K.N.	15	Turner & Newall	4	Lonrho	6
Hawker Sidd	30	Unilever	65	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar falls in late trading

London foreign exchange dealers were at a loss to explain the sudden late weakness of the dollar yesterday afternoon. For most of the day the U.S. currency was steady in very dull trading but the extremely thin level of market may have exaggerated the dollar's later decline. Dealers suggested that growing hopes of another conservative coalition Government after next month's German election was a possible factor encouraging support for the Deutschemark, and also mentioned speculation about an easing of monetary policy at today's U.S. Federal open market committee meeting.

Sterling was on the sidelines for most of the day, but benefited from the dollar's late fall.

The South African rand improved during the day. The new unitary rate was around 88.05 U.S. cents in the morning, climbing to 88.25 in the early afternoon, and finishing at 88.55.

DOLLAR — Trade weighted index (Bank of England) 121.1 against 121.8 six months ago. The dollar has returned to favour as hopes of an early cut in the discount rate recede. The prospect of large fund raising by the authorities has also kept interest rates firm, while the growing trade deficit has failed to encourage further selling of the U.S. currency.

The dollar closed near its lowest levels of the day at DM 2.4525 compared with DM2.4750 against the D-mark; at FFr 6.9575 (FFr 7.02); at Y237.50 (Y240.40); and at SwFr 2.0230 (SwFr 2.0350).

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade weighted index 81.2 against 81.1 at noon and 80.9 in the morning and compared with 81.0 on Friday and 91.1 six months ago. Sterling is weak on fears of lower North Sea oil prices and recent disarray within Opec. There is also uncertainty caused by the possibility of an early election. The pound is close to an all-time low against the dollar and is also unsettled against other currencies.

Sterling opened at $1.5160-1.5170, and touched a low of $1.5150-1.5160 in the morning, before holding steady at $1.52 until the afternoon, when the pound touched a peak of $1.5330-1.5340. It closed at $1.5320-1.5330, a rise of 1.30 cents on the day. Sterling was little changed against other major currencies at DM 3.76, compared with DM 3.7625 on Friday; at SwFr 3.1025 (SwFr 3.0950); FFr 10.6650 (unchanged); and Y364 (Y365.50).

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade weighted index 127.3 against 124.6 six months ago. The D-mark has shown a weaker tendency during the run up to a March general election. Favourable trade figures and fading hopes of lower German interest rates started to reverse this trend but the D-mark in common with other major currencies has again suffered from the problems of a strengthening dollar.

Trading was quiet in Frankfurt yesterday in featureless trading. Interest rates showed little movement and the dollar was fixed at DM 2.4780 only slightly changed from Friday's level of DM 2.4800. Sterling was marginally firmer at DM 3.7670 from DM 3.7640 while the Swiss franc eased to DM 1.2136 from DM 1.2202. Within the EMS the French franc was fixed at DM 35.275 per FFr 100 from DM 35.26 and the Belgian franc at DM 5.1120 per BFr 100 from DM 5.1100.

SWISS FRANC — Trading range against the dollar in 1982-83 is 2.2360 to 1.7910. January average 2.0330. Trade weighted index 151.4 against 144.5 six months ago. The Swiss franc has risen slightly against the D-mark recently but has lost ground against the dollar. Its overall strength is underpinned by relatively low inflation and tight monetary policy.

The Swiss franc was a little weaker against the dollar in Zurich in featureless trading. The U.S. unit rose to SwFr 2.0377 from SwFr 2.0340 while the D-mark was higher at SwFr 82.2650 per DM 100 from SwFr 82.2050. Elsewhere sterling rose to SwFr 3.0912 from SwFr 3.0860 and the French franc to SwFr 29.02 per FFr 100 compared with SwFr 28.9950.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9790	+0.02	+1.27	±1.5501
Danish Krone ...	8.23400	8.06814	−2.01	−0.76	±1.6430
German D-Mark	2.33379	2.29775	−1.54	−0.29	±1.0888
French Franc ...	6.61387	6.51447	−1.50	−0.25	±1.3940
Dutch Guilder ...	2.57971	2.52455	−2.14	−0.89	±1.5004
Irish Punt.........	0.691011	0.690315	−0.10	+1.15	±1.6691
Italian Lira	1350.27	1321.30	−2.15	−1.49	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRANCIES

Feb. 7	£	$		£ Note Rates
Argentina Peso .	83,830-83,870	55,140-55,190	Austria............	25.25-26.55
Australia Dollar..	1.5780-1.5800	1.0340-1.0345	Belgium..........	75.55-76.55
Brazil Cruzeiro...	424.18-425.18	278.70-280.09	Denmark..........	13.17-13.31
Finland Markka..	8.2600-8.2865	5.4300-5.4320	France............	10.61-10.71
Greek Drachma..	125.317-128.492	83.50-83.90	Germany..........	3.74¼-3.78¼
Hong Kong Dollar	10.11-10.13	6.6190-6.6240	Italy..............	2140-2175
Iran Rial........	128.60*	84.75*	Japan..............	364-369
Kuwait Dinar KD	0.446-0.447	0.2920-0.2921	Netherlands	4.11¼-4.15¼
Luxembourg Fr..	73.75-73.85	48.16-48.18	Norway...........	10.89-10.99
Malaysia Dollar..	3.4975-3.5075	2.2900-2.2920	Portugal...........	140-155
New Zealand Dlr.	2.1275-2.1325	1.3945-1.3960	Spain..............	192¼-206¼
Saudi Arab. Riyal	5.2575-5.2635	3.4400-3.4410	Sweden............	11.36-11.46
Singapore Dollar	3.1950-3.2050	2.0915-2.0935	Switzerland	3.09-3.13
Sth. African Rand	1.7295-1.7315	1.1285-1.1300	United States....	1.51¼-1.53¼
U.A.E. Dirham...	5.6090-5.6180	3.6700-3.6730	Yugoslavia........	114-122

*Selling rates.

CURRENCY MOVEMENTS

Feb. 7	Bank of England Index	Morgan Guaranty Change %
Sterling..............	81.2	−39.0
U.S. dollar...........	121.1	+11.1
Canadian dollar.....	90.6	−17.0
Austrian schilling..	119.2	+28.7
Belgian franc.......	93.9	−2.4
Danish kroner......	83.7	−10.3
Deutsche mark......	127.3	+54.3
Swiss franc..........	151.4	+108.2
Guilder..............	118.6	+27.7
French franc........	73.6	−19.4
Lira..................	53.0	−58.9
Yen...................	144.0	+57.7

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Feb. 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.711004	0.610515
U.S. $	8½	1.08030	0.929509
Canadian $	9.91	*	1.14051
Austria Sch	4¾	18.7983	16.1502
Belgian F	11½	52.3621	44.9790
Danish Kr	10	9.40131	8.06814
D mark	5	2.67698	2.29775
Guilder	4½	2.94004	2.52455
French F.........	9½	7.58641	6.51447
Lira	18	1538.08	1321.30
Yen	5½	259.704	223.082
Norwgn Kr.......	9	7.76790	6.67945
Spanish Pta	—	141.918	122.045
Swedish Kr	9	8.11791	6.97225
Swiss Fr	4½	2.20565	1.89453
Greek Dr'ch	20½	n/a	77.8929

*CS/SDR rate for Feb 4: 1.32648.

THE POUND SPOT AND FORWARD

Feb 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5150-1.5340	1.5320-1.5330	0.25-0.20c pm	1.76	0.64-0.59 pm	1.60
Canada	1.8600-1.8780	1.8765-1.8775	0.20-0.10c pm	0.96	0.58-0.48 pm	1.13
Nethlnd.	4.12-4.15	4.12¾-4.13¾	2¼-1¾c pm	5.81	6¾-6¼ pm	6.17
Belgium	73.50-73.90	73.75-73.85	5-15c dis	−1.63	40-50 dis	−2.44
Denmark	13.19-13.26	13.21-13.22	6-7ore dis	−5.90	20½-21⅞dis	−6.41
Ireland	1.1270-1.1340	1.1285-1.1305	0.49-0.61p dis	−5.84	1.43-1.66dis	−5.47
W. Ger.	3.75-3.78	3.75½-3.76½	1⅞-1¾pf pm	5.19	5¼-4¾ pm	5.19
Portugal	141.00-145.00	142.50-144.50	506-1345c dis	−77.35	770-2200ds	−41.39
Spain	199.20-200.30	199.90-200.20	155-140c dis	−11.85	400-490dis	−8.90
Italy	2158-2170	2167½-2169½	13½-17½lire dis	−8.58	57-62 dis	−10.98
Norway	10.90-10.98	10.97-10.98	1½-2½ore dis	−1.78	5¾-6⅞ dis	−2.30
France	10.64-10.70	10.66-10.67	4¼-6¾c dis	−5.91	25-28 dis	−9.94
Sweden	11.40-11.47	11.46-11.47	¼-¾ore dis	−0.48	¾-1¼ dis	−0.24
Japan	363-367	363½-364½	0.90-0.70y pm	2.64	4.05-3.85 pm	4.34
Austria	26.32-26.57	26.50-26.55	11¼-9½gro pm	4.69	35-30¼ pm	4.92
Switz.	3.08½-3.11½	3.09¾-3.10¾	2¼-1⅝c pm	7.49	6¼-5¾ pm	7.74

Belgian rate is for convertible francs. Financial franc 76.70-76.80. Six-month forward dollar 0.93-0.88c pm. 12-month 1.25-1.20c pm

THE DOLLAR SPOT AND FORWARD

Feb 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5150-1.5340	1.5320-1.5330	0.25-0.20c pm	1.76	0.64-0.59 pm	1.60
Ireland†	1.3425-1.3610	1.3590-1.3605	0.84-0.74c pm	7.05	2.28-2.08 pm	6.48
Canada	1.2245-1.2280	1.2245-1.2255	0.08-0.09c dis	−0.73	0.15-0.18dis	−0.54
Nethlnd.	2.6940-2.7225	2.6950-2.6970	0.95-0.85c pm	3.99	3.12-3.02 pm	4.53
Belgium	48.16-48.50	48.16-48.18	12-14c dis	−3.23	47-51 dis	−4.06
Denmark	8.6200-8.7050	8.6200-8.6300	4-5ore dis	−6.22	13.30-14.30ds	−6.36
W. Ger.	2.4500-2.4820	2.4520-2.4530	0.65-0.60pf pm	3.06	2.23-2.18 pm	3.60
Portugal	92.50-95.00	93.00-95.00	350-900c dis	−79.79	800-1600ds	−46.81
Spain	130.35-131.60	130.35-130.50	150-200c dis	−16.02	350-450dis	−12.21
Italy	1412-1424¼	1414¼-1415¼	11½-13lire dis	−10.37	45-47 dis	12.98
Norway	7.1650-7.1945	7.1650-7.1750	1.60-2.60ore dis	−3.51	6.90-7.90ds	−4.12
France	6.9550-7.0350	6.9550-6.9600	4.40-4.90c dis	−7.99	19¾-20¾ds	−11.60
Sweden	7.4800-7.5180	7.4800-7.4900	1.30-1.80ore dis	−2.48	3.50-4.00ds	−2.00
Japan	237.30-240.60	237.45-237.55	0.50-0.43y pm	2.35	1.65-1.55pm	2.69
Austria	17.22-17.41	17.23-17.24	4½-3⅛gro pm	2.85	15¾-12¾ pm	3.23
Switz.	2.0210-2.0470	2.0225-2.0235	0.99-0.94c pm	5.72	3.13-3.08 pm	6.14

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.05-50.15

EXCHANGE CROSS RATES

Feb. 7	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.533	3.760	364.0	10.665	3.103	4.138	2169.	1.877	73.80
U.S. Dollar	0.653	1.	2.454	237.5	6.959	2.024	2.697	1415.	1.225	48.16
Deutschemark	0.266	0.408	1.	96.81	2.836	0.825	1.099	576.7	0.499	19.63
Japanese Yen 1,000	2.747	4.210	10.33	1000.	29.30	8.523	11.36	5957.	5.157	202.7
French Franc 10	0.938	1.437	3.526	341.3	10.	2.909	3.875	2033.	1.760	69.20
Swiss Franc	0.322	0.494	1.212	117.3	3.436	1.	1.332	699.0	0.605	23.79
Dutch Guilder	0.242	0.371	0.910	88.08	2.581	0.751	1.	524.7	0.454	17.86
Italian Lira 1,000	0.461	0.707	1.734	167.9	4.918	1.431	1.906	1000.	0.866	34.03
Canadian Dollar	0.533	0.816	2.003	193.9	5.682	1.653	2.202	1155.	1.	39.32
Belgian Franc 100	1.355	2.077	5.095	493.2	14.45	4.204	5.600	2938.	2.543	100.

FINANCIAL FUTURES

Quiet trading

Trading was rather quiet and featureless in the London International Financial Futures Exchange yesterday. There was still some concern about the weakness of sterling, oil prices and U.S. interest rates but the market yesterday was looking for further indications of future trends. Euro-dollar prices opened slightly lower from Friday's closing levels at 90.33 against 90.37 for March. Indicating the current lack of conviction, there was no trading for the first five minutes as dealers looked initially for some direction. Prices fell away to the day's lows but activity picked up after Chicago had entered the market some way above expected levels. A consistent level of support pushed values to a best level of 90.43 and March Euro-dollars finished at 90.41.

Selling Chicago and buying London caused a shrinking in the spread from around 28 points to 22 points at one time before moving out to 24 points. Dealers were unable to pinpoint any single factor behind the stronger tone in Chicago.

Short sterling traded very quietly with little change in the dollar/sterling rate before the close of business in London. The June contract opened at 89.20 and after touching a low of 89.18, recovered on light demand to finish at the best level of the day at 89.28, up from 89.24 on Friday.

Trading in the gilt sector saw a better spread and better volume but once again there was little new to influence the market. There was however an upward adjustment in the afternoon after an encouraging Wholesale Prices figure for January saw the year on year rate fall to 7.4 per cent from 8 per cent. The March contract touched a best level of 98-31 around this time from an opening level of 98-16 before finishing at 98-26, hardly changed from Friday's figure of 98-28.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.41	90.43	—	90.37
June	90.03	90.03	89.91	90.01
Sept	89.73	89.76	89.61	89.75
Dec	89.50	89.56	89.50	89.55
March	89.15	89.15	89.15	89.16

Volume 1,015 (1,128)
Previous day's open int. 3,250 (3,150)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

[illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

[illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

[illegible]

SWISS FRANCS Sw Fr 125,000 $ per SwFr

[illegible]

JAPANESE YEN Y12.5m $ per Y100

[illegible]

CHICAGO

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	67-17	67-24	67-08	67-08
June	66-15	66-22	66-07	66-08
Sept	65-25	65-30	65-24	65-19
Dec	65-05	65-12	65-03	64-30
March	64-20	64-24	64-20	64-16
June	64-10	64-13	64-10	64-05
Sept	64-02	64-02	64-00	63-29
Dec	63-25	63-25	63-25	63-21

U.S. TREASURY BILLS (IMM) $1m points of 100%

[illegible]

CERT. DEPOSIT (IMM) $1m points of 100%

[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

[illegible]

STERLING (IMM) Se per £

[illegible]

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

[illegible]

MONEY MARKETS

A more cheerful mood

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

A slightly more cheerful mood was evident in the London money market yesterday afternoon as sterling gained ground against the dollar on the foreign exchanges. The three-month interbank rate eased to 11¼-11⅜ per cent from 11 7/16-11 9/16 per cent, but overnight money finished very firm following signs that the total assistance of £192m was not enough to take out the full market shortage. The overnight rate opened at 11-11¼ per cent, and after falling to 10⅞ per cent, rose to 50 per cent at the close.

The Bank of England forecast a market shortage of £100m but quickly revised this to £200m. Bills maturing in official hands, and a take-up of Treasury bills from Friday's tender drained £568m. This was partly offset by Exchequer transactions of £200m, and a fall in the note circulation of £220m.

Before lunch the authorities gave help of £41m by buying £5m bank bills in band 1 (up to 14 days maturity) at 11 per cent; £7m bank bills in band 2 (15-33 days) at 11 per cent; £16m in band 3 (34-63 days) at 11 per cent; and £13m in band 4 (64-84 days) at 11 per cent. In the afternoon the Bank of England purchased another £151m bills by way of £8m bank bills in band 1 at 11 per cent; £139m bank bills in band 2 at 11 per cent; and £4m Treasury bills in band 3 at 11 per cent.

In Frankfurt interest rates were steady. Overnight money was unchanged at 5.975 per cent, and although one-month firmed slightly to 5.75 per cent from 5.70 per cent, three-month was unchanged at 5.95 per cent and six-month at 5.925 per cent.

In Paris the official rate for call money fell to 12.5625 per cent from 12.75 per cent, and fixed period rates also declined. One-month fell to 12.6875 per cent from 12.8125 per cent; and three-month to 12.8125 per cent from 12.9375 per cent

LONDON MONEY RATES

Feb. 7 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight........	—	10⅝-50	—	—	—	11¼	10½-11	—	—	—
2 days notice ..	—	—	11-11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛-11½	—	—	—	—
7 days notice ..	—	11-11¼	11-11⅛	—	—	11 1/16-11⅝	11	—	—	—
One month......	11⅜-11½	11¼-11 7/16	11⅛-11¼	11⅞-11½	11¼	11⅜	11	11 1/32	11 1/16	11 25/32
Two months	11⅜-11¼	11¼-11 7/16	11⅛-11⅝	11¾-11⅝	11¼	11⅝	11	11 1/32	11 1/32	11 21/32
Three months...	11⅝-11¼	11¼-11⅝	11⅛-11⅜	11¾-11⅜	11⅜	—	11	10 31/32-11 1/32	11 1/32	11 19/32
Six months	11 1/16-11 3/16	11 5/16-11 7/16	11⅛-11¼	11⅛-10⅞	11⅝	—	—	—	10 31/32-10 15/16	11 1/32
Nine months ...	11 7/16-11 5/16	11¼-11 7/16	—	11½-11⅛	11 7/8	—	—	—	—	—
One year	11 1/16-11	11¼-11 7/16	11⅛-11¼	11½-11⅛	11 1/2	—	—	—	—	—
Two years	—	—	11⅝-11½	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅝ per cent; four years 11¾ per cent; five years 11⅞ per cent. фBank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10 25/32-11 per cent; four months trade bills 11 9/16 per cent.

Approximate selling rate for one month Treasury bills 10 27/32-11 per cent; two months 10 29/32-11 per cent and three months 10 13/16-10 29/32 per cent. Approximate selling rate for one month bank bills 10 31/32 per cent; two months 10 31/32 per cent and three months 10 31/32 per cent; trade bills 11 19/32 per cent; two months 11 21/32 per cent and three months 11 17/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.8756 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11½ per cent; one-three-month 11½ per cent; three-12-month 11½ per cent. Under £100,000 11¼ per cent from January 28. Deposits held under Series 3-5 11½ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 7	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling..	11¼-11½	11-11¼	11¼-11⅜	11¼-11⅜	11 5/16-11 7/16	11⅛-11¼
U.S. Dollar...	8½-9	8¾-9	8 15/16-9 1/16	9 1/16-9 3/16	9⅜-9⅞	9⅞-10¼
Can. Dollar .	8½-9½	9-9½	9⅝-9⅞	9⅞-10⅛	10⅛-10⅝	10 5/16-10 9/16
D. Guilder ...	4½-4¾	4¾-4⅞	4¾-4⅞	4 11/16-4 13/16	4 15/16-5 1/16	5⅛-5¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8⅝-8⅞
Treasury bills (13-week)	8.19
Treasury bills (26-week)	8.36

GERMANY

[illegible]

FRANCE

[illegible]

JAPAN

[illegible]

SWITZERLAND

[illegible]

NETHERLANDS

Discount rate	4½
Overnight rate	5-5⅛
One month	4 13/16-4 15/16
Three months	4 13/16-4 15/16
Six months	4 13/16-4 15/16

$ CERTIFICATES OF DEPOSIT

One month	8.80-8.90
Three months	8.95-9.05
[illegible]	[illegible]

LONG TERM EURO $

[illegible]

SDR LINKED DEPOSITS

[illegible]

ECU LINKED DEPOSITS

[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 7)

[illegible]

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on February 7 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

[illegible]

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Schroder Money Funds Ltd			
Sterling	£13.3172	....	—
U.S. Dollar	US$25.0665	....	—
Deutschmark	DM50.0637	....	—
Swiss Franc	SF50.0151	....	—

French Francs	146.385	+0.025	11.76
Italian Lire	33.758	+0.13	15.68
Japanese Yen	6093.35	+0.88	5.44
Singapore $	61.31	+0.01	4.16
£ Sterling	13.647	+0.004	10.33
Swiss Francs	45.112	+0.002	1.58
U.S.$	28.10	+0.005	8.20

Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.